



Bridging Markets, Bridging Continents

AECSD AMEDA
İSTANBUL SUMMIT 2024

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Association
of Eurasian Central
Securities Depositories



MERKEZİ KAYIT
İSTANBUL

Türkiye Sermaye Piyasaları - Merkezi
Saklama ve Veri Depolama Kuruluşu



AMEDA
Africa & Middle East
Depositories Association

Bridging Markets **Continents**



MERKEZİ KAYIT
İSTANBUL

Central Securities Depository
& Trade Repository of Türkiye

MKK Publication No: 3

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ABBREVIATIONS

ABC	Anti-Bribery and Corruption
ABMS	Anti-Bribery Management System
ACG	Asia-Pacific CSD Group
ADR	American Depository Receipt
ADX	Abu Dhabi Securities Exchange
AECSD	Association of Eurasian Central Securities Depositories
AFCM	Arabic Federation of Capital Markets
AFM	Amman Financial Market
AFSF	Asia Funds Standardization Forum
AGC	Association of Global Custodians
AGM	Annual General Meeting
AIFC	Astana International Finance Center
AIM	Alternative Investment Market
AIS-UDB	Unified Depositor Base
AMEDA	Africa & Middle East Depositories Association
AML	Anti-Money Laundering
AMMC	Moroccan Capital Market Authority
AMX	Armenia Securities Exchange
ANNA	Association of National Numbering Agencies
API	Application Programming Interface
ARDFM	Agency of the Republic of Kazakhstan for Regulation and Development of Financial Market
ASE	Amman Stock Exchange
ASEA	African Securities Exchanges Association
ATS	Automated Trading System
Bapepam-LK	Capital Market and Financial Institutions Supervisory of Indonesia
BCMS	Business Continuity Management System
BETP	Trading System of Azerbaijan
BHB	Bahrain Bourse
BI-FAST	Bank Indonesia Fast Payment

BIS	Bank for International Settlements
BMA	Bahrain Monetary Agency
BP-Tapera	Public Housing Savings Management Agency
BSE	Botswana Stock Exchange
BSM	Botswana Share Market
BSRS	Bearer Shares Registration System
CA	Corporate Action
CASE	Central Asian Stock Exchange
CBA	Central Bank of Azerbaijan
CBB	Central Bank of Bahrain
CBE	Central Bank of Egypt
C-BEST	Central Depository and Book Entry Settlement System of Indonesia
CCP	Central Counterparty
CDA	Central Depository of Armenia
CDC	Chengetedzai Depository Company
CDS	Central Depository & Settlement Co. Ltd of Mauritius
CDSC	Central Depository and Settlement Corporation of Kenya
CDSL	Central Depository Services Limited of India
CEDAR	Central Securities Depository Platform of Azerbaijan
CFI	Classification of Financial Instruments
CFS	Crowdfunding System of MKK
CFT	Combating the Financing of Terrorism
CIGS	e-KYC system of Iran
CIS	Commonwealth of Independent States
CJSC	CSD of Tajikistan
CJSC CSD	CSD of Kyrgyzstan
CJSC RP MICEX	Clearing House of the Moscow Interbank Currency Exchange
CMA	Capital Market Authority
CMAC	Capital Market Advisory Council
CMB	Capital Markets Board of Türkiye

CMF	Financial Market Council of Tunisia
CMSA	Capital Markets and Securities Authority of Tanzania
COMPASS	Intermediary Institutions MKK Data Analysis Platform
CORES.KSEI	Integrated Multi Investment System
CPMI	Committee on Payments and Market Infrastructures
CREPMF	Conseil Régional de l'Épargne Publique et des Marchés Financiers
CS/DR	Clearing-Settlement/Depository-Registrar System of Azerbaijan
CSCS	Central Securities Clearing System of Nigeria
CSD	Central Securities Depository
CSD (GH) LTD	CSD of Ghana
CSD Botswana	CSD of Botswana
CSDI	CSD of Iran
CSDR	CSD & Registry Company Limited
DAP	Data Analysis Platform of MKK
DC/BR	Depositaire Central/Banque de Règlement
DDN	Integrated Capital Market Stakeholders Portal
DIMA	Integrated Electronic General Meeting Platform of Iran
DLT	Distributed Ledger Technology
DP	Depository Participant
DPC	Central Securities Depository's Data Processing Center (Tajikistan)
DR	Depository Receipt
DSE	Dar es Salaam Stock Exchange
DSN-MUI	National Sharia Council - Indonesian Ulema Council
DTI	Digital Token Identifiers
DTIF	Digital Token Identifier Foundation
Dubai CSD	Dubai Central Securities Depository LLC
DvP/DVP	Delivery Versus Payment
eASY.KSEI	Electronic Proxy Platform of General Meeting of Shareholders
e-BDS*	Electronic Board of Directors System of MKK
ECSD	Egyptian Central Securities Depository

ECSDA	European Central Securities Depositories Association
Edaa	Securities Depository Center Company of Saudi Arabia
EDI	Electronic Document Interchange
EEC	Eurasian Economic Commission
e-GEM	Electronic General Meeting System of MKK
EGM	Enterprise Growth Market
EGX	Egyptian Exchange
e-INVESTOR	Investor Information Center of MKK
e-IPO	Electronic IPO
E-IPO	Electronic Subscription Program
EMIR	European Market Infrastructure Regulation
ESG	Environmental, Social and Governance
ESMA	European Securities and Market Authority
ETF	Exchange Traded Fund
e-WR	Electronic Warehouse Receipts Center of MKK
FEAS	Federation of Euro-Asian Stock Exchanges
FINSSP	Financial Sector Strategic Plan
FISN	Financial Instrument Short Name
FMI	Financial Market Infrastructure
FOP	Free of Payment
FRC	Financial Regulatory Institution of Mongolia
FTSE	Financial Times Stock Exchange
GCSD	CSD of Georgia
GDPR	General Data Protection Regulation
GDR	Global Depository Receipt
GFE	Georgian Stock Exchange
GMS	General Shareholder Meetings
GSD	GSE Securities Depository Company Ltd.
GSS	Georgian Securities Settlement System
IAB	International Association of Exchanges

ICSDs	International Central Securities Depositories
IDClear/KPEI	Indonesia Clearing and Guarantee Corporation
IDX	Indonesia Stock Exchange
IFB	Iran FaraBourse
IFC	International Finance Corporation
IFG Life	PT Asuransi Jiwa IFG
IME	Iranian Mercantile Exchange
IOSCO	International Organization of Securities Commissions
IPO	Initial Public Offering
IRENEX	Iran Energy Exchange
IRMS	Investor Risk Monitoring System of MKK
ISE	İstanbul Stock Exchange
ISIN	International Securities Identification Numbers
ISMS	Information Security Management System
ISO	International Organization for Standardization
ISSA	International Securities Services Association
JSC	Jordan Securities Commission
JSX	Jakarta Stock Exchange
KCC	Kuwait Clearing Company
KCH	Kuwait Clearing House
KCSD	CSD of Kazakhstan
KDEI	PT Clearing Deposit Efek Indonesia
KDR	Korea Depository Receipt
KOFR	Korea Overnight Financing Repo Rate
KPEI	Indonesian Clearing and Guarantee Corporation
KRX	Korea Exchange
KSD	Korea Securities Depository
KSE	Korea Stock Exchange
KSEI	Indonesian CSD
KSSC	Korea Securities Settlement Corporation

Kuwait CSD	Kuwait Central Securities Depository
KYC	Know Your Customer
LEI	Legal Entity Identifier
LOU	Local Operationg Unit
LSE	London Stock Exchange
LSM	Libyan Stock Market
LuSE	The Lusaka Securities Exchange Plc
MAROCLEAR	CSD of Morocco
MCDR	Misr for Central Clearing, Depository, and Registr
MD	Market Development Program of Kuwait
MII	Market Infrastructure Institution
MKK	Merkezi Kayıt Kuruluşu A.Ş. , CSD of Türkiye
MOU	Memorandum of Understanding
MSE	Mongolian Stock Exchange
Muqassa	Saudi Securities Clearing Center Company
NBFIRA	Non-Bank Financial Institutions Regulatory Authority
NDC	National Depository Center of Azerbaijan
NDPR	Nigeria Data Protection Regulation
NGX	Nigerian Exchange Group
NSD	CSD of Russia
NSDL	National Securities Depository Limited
NSE	Nairobi Securities Exchange
OFSC	Zimbabwe Offshore Financial Services Centre
OICEF	Organization of Islamic Cooperation Exchanges Forum
OJK	Financial Services Authority of Indonesia
OPCC	Venture Capital Collective Investment Schemes
OPCI	Real Estate Investment Trusts
OPCR	Risk Capital Collective Investment Schemes
OPCVM	Segregation of Mutual Fund Assets Project
OTC	Over The Counter

PAC	Product Advisory Committee
PCMA	Palestine Capital Market Authority
PDP	Public Disclosure Platform of MKK
PEX	Palestine Exchange
PFMIs	Principles for Financial Market Infrastructures
PIF	Public Investment Fund
QCCP	Qualified Central Counterparty
QCSD	Qatar Central Securities Depository
QFIs	Qualified Foreign Investors
QMS	Quality Management System
R&D	Research and Development
RDN	Customer Fund Accounts / Investor Cash Account
REFIS	Real Estate Based And Developing Financial Instruments Information System of MKK
REIT	Real Estate Investment Trust
REPO	Repurchase Agreement
RSE	Rwanda Stock Exchange
RSS	Remote Customer Service System
SAOC	Muscat Clearing & Depository
SCA	Securities and Commodities Authority of UAE
SCORPIO	Securities Central Operation Registry Processing & Information Online System of Jordan
SDC	Securities Depository Center of Jordan
SEBI	Securities and Exchange Board of India
SECZ/SECZim	Securities and Exchange Commission of Zimbabwe
SEO	Securities and Exchange Commission of Iran
SGF	Settlement Guarantee Fund
SID	Single Investor Identification
S-INVEST	Integrated Investment Management System
SLB	Securities Lending and Borrowing Service
S-MULTIVEST	Integrated Multi Investment System
s-MULTIVEST Users	Financial Institutions Who Act As Asset Owner

SRO	Self-Regulatory organization
SSE	Sustainable Stock Exchange
SSX	Surabaya Stock Exchange
STG	Saudi Tadawul Group
STP	Straight Through Processing
STRIPS	Separate Trading of Registered Interest and Principal of Securities
SWIFT	Society for Worldwide Interbank Financial Telecommunications
Tadawul	Saudi Stock Exchange
TEFAS	Türkiye Electronic Fund Trading Platform
TR	Trade Repository
TSE	Tehran Stock Exchange
TURIB	Turkish Mercantile Exchange
TÜBİTAK	Scientific and Technological Research Council of Türkiye
UAE	United Arab Emirates
VFEX	Victoria Falls Stock Exchange
WAEMU	West African Economic and Monetary Union
WAMID	Tadawul Advanced Solutions Company
WFC	World Forum of CSDs
WFE	World Federation of Exchanges
XBRL	Extensible Business Reporting Language
ZSE	Zimbabwe Stock Exchange

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We would like to extend our sincere thanks to our sponsors for their exceptional contribution and to all participating countries for their valuable presence at the “AECSD & AMEDA İstanbul Summit 2024”. This event brought together the Central Securities Depositories of Eurasia, Middle East, and Africa regions in İstanbul. Looking ahead, we are excited about the potential for future collaborations, and we believe that our collective efforts will lead to strengthening capital markets and cooperation among member countries.



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FOREWORD



The Summit Book is a compilation of information and data on the member Central Securities Depositories (CSDs) of the Association of Eurasian Central Securities Depositories (AECSD) and the Africa & Middle East Depositories Association (AMEDA). This publication serves not only as a valuable resource for industry professionals but also as a lasting memento of the AECSD & AMEDA İstanbul Summit 2024.

The convergence of AECSD's 20th anniversary celebration and AMEDA's 40th meeting at this summit symbolizes our shared commitment to promoting broader integration and cooperation among capital markets across Eurasia, Africa, and the Middle East. İstanbul, a city that bridges continents and cultures, offers the perfect backdrop for this inclusive and integrative event.

Collaboration lies at the heart of everything we do, and the success of our regional associations—AECSD and AMEDA—rests on the strong relationships and shared goals among our member CSDs. The Summit and this accompanying book are clear demonstrations of our collective efforts to strengthen these bonds. By working together, we can enhance the resilience and interconnectedness of our markets, ensuring they are well-positioned to meet the challenges of the future.

CSDs play a critical role in the financial ecosystem, serving as the backbone of market stability and efficiency. Our institutions safeguard assets, facilitate the efficient settlement of securities transactions, and provide critical services that underpin the smooth functioning of capital markets. As we navigate an increasingly complex and interconnected global financial landscape, the importance of our work cannot be overstated.

The information and data presented in the Summit Book provide a snapshot of our industry's current state and potential. This book offers a unique opportunity for all of us to learn from each other, to innovate, and drive joint projects among member CSDs. The readers can use it as a tool to enhance their understanding of our diverse yet unified global community.

As we move forward, let us carry the spirit of the AECSD & AMEDA İstanbul Summit 2024 – a spirit of collaboration, innovation, and shared purpose – into all our future endeavors. We stand at the cusp of transformative changes in global finance, driven by technological advancements, evolving regulatory landscapes, and shifting market dynamics. Our ability to adapt, innovate and collaborate will determine our success in this new era.

As the host country, Türkiye, and the organizing CSD, MKK, I would like to express our sincere gratitude to all member CSDs for their invaluable contributions to this publication. We extend special thanks to AMEDA President, Mr. Abdulla Jaffar Abdin, and the secretariats of both AECSD and AMEDA for their crucial support in bringing this project to life. I would also like to acknowledge the dedication and hard work of my colleagues at MKK, whose efforts have been instrumental in making this achievement possible.

Dr. Ekrem ARIKAN
CEO & Board Member of MKK

ROLE OF CENTRAL SECURITIES DEPOSITORIES IN CAPITAL MARKETS

Central Securities Depositories (CSDs) are critical components of the financial infrastructure, ensuring the efficient functioning of capital markets. These specialized institutions are tasked with the safekeeping, administration, and settlement of securities transactions. By immobilizing securities and maintaining them in electronic form, CSDs eliminate the need for the physical transfer of certificates, thereby mitigating associated risks. These institutions ensure accurate recording of securities ownership, maintain the integrity of the records over time, and facilitate the finality and safe transfer of securities between parties. Through the centralization of these processes, CSDs create a secure environment essential for the operation of modern financial markets.

In addition to their primary functions, CSDs manage a range of services that reduce operational risks, ensure market transparency, and regulatory compliance. These services include the facilitation of corporate actions (e.g., dividend distributions, bonus issues, rights issues via preemptive rights, interest payments), reporting, cash management, and investor services. Moreover, CSDs are increasingly offering value-added services such as operating electronic meeting systems, which enhance corporate governance and stakeholder engagement in markets.

In today's global financial system, CSDs' central role classifies them as systemically important infrastructures, meaning any disruption to their operations could lead to widespread financial and economic instability. For instance, CSDs that issue government debt securities are crucial in enabling governments to fund budgets, manage liquidity, and develop debt strategies. Throughout the history of the CSD industry, these institutions have demonstrated resilience during times of market stress, efficiently processing higher transaction volumes due to their robust risk management frameworks.

The history and evolution of CSDs reflect the financial

industry's efforts to enhance efficiency and reduce risks associated with the physical handling of securities. With the development of capital markets worldwide and the growth in transaction volumes, operational issues related to physical securities, such as extended settlement periods, began to emerge. These problems were largely resolved by the immobilization of securities, where instead of exchanging physical securities between transaction parties, they were held in a central location. This central immobilization of securities meant that securities transfers occurred through book-entry settlements between the member accounts of the central depository. In some countries, institutions performing central depository functions were central banks or custodian banks, while in most countries, CSDs were established to provide central depository services. The first such arrangement was the "Kassenverein" established by German banks in the 19th century. In France, the first modern CSD was established in 1942 under the name Caisse Centrale de Dépôts et de Virements de Titres¹, and most CSDs in the world were established in the 1960s and 1970s, including the two international International Central Securities Depositories (ICSDs): Euroclear Bank in 1968 and Clearstream Banking Luxembourg in 1970.

Technological advancements in the 1980s and 1990s have continued to drive the evolution of CSDs. The shift to dematerialized systems, where securities are issued and transferred electronically, has led to significant operational efficiencies, preventing fraud, reducing costs, and lowering expenses related to physical storage, insurance, and personnel. The most fundamental benefit of this implementation is the ability to conduct settlement processes more quickly and effectively. Denmark was the first market to dematerialize its securities², and today, similar projects are still being carried out in other capital markets.

Once the dematerialization era started, settlement processes became faster, cheaper, and more efficient for market participants. CSDs now had the opportunity to expand their services into new areas such as collateral management or investment fund services. By leveraging

1 CHAN Diane, FONTAN Florence, ROSATI Simonetta and RUSSO Daniela, "The Securities Custody Industry", European Central Bank, August 2007, p. 7.

2 Ibid., 8.

the ever-increasing power of IT systems, some CSDs ventured into more value-added services for the use of diverse market participants such as issuer companies and investors.

CSDs worldwide may differ based on the type of securities for which they provide depository services, with some countries having separate CSDs for government bonds and equities. Cases where a single type of security, such as equities, is held in multiple CSDs within a country are rare, with some exceptions like India. CSDs usually operate as natural monopolies in capital markets, but as private companies that do not use their monopoly power to the detriment of markets and market participants. They operate under the supervision of national capital market regulatory authorities, central banks, or banking sector regulatory authorities (for CSDs with banking licenses).

Currently, there are more than 150 CSDs in operation around the world. The establishment of industry associations highlighted the growing importance of regional cooperation and harmonization among these institutions. The formation of the Eurasian Central Securities Depositories Association (AECSD) in 2004 and the Africa and Middle East Depositories Association (AMEDA) in 2005 marked significant milestones for the fast-developing capital markets in Eurasia, Africa, and the Middle East.

The future of CSDs will be significantly shaped by the adoption of emerging technologies and the continued evolution of regulatory frameworks. New technologies such as blockchain and distributed ledger technology (DLT) promise to revolutionize the securities settlement process by enhancing transparency, reducing settlement times, and improving overall security. Furthermore, the integration of digital assets and the potential introduction of Central Bank Digital Currencies present both opportunities and challenges for CSDs. These advancements will require



Bank of Berlin Kassenverein

CSDs to adapt and expand their services, potentially managing digital assets and acting as validators in DLT systems.

The successful evolution of CSDs will also depend heavily on their ability to comply with international standards and promote public interests such as financial stability and market development. Industry associations like AECSD and AMEDA play a crucial role in supporting regional CSDs in these tasks. By embracing emerging technologies and addressing the accompanying challenges, CSDs can continue to play critical roles in ensuring the stability and efficiency of global financial markets.



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2024

**CAPITAL MARKETS AND
MEMBER CSDs IN EURASIA,
AFRICA AND MIDDLE EAST:
*Past, Present and Future***



BRIEF HISTORY OF CAPITAL MARKETS IN TÜRKİYE AND ESTABLISHMENT AND DEVELOPMENT OF MKK

The history of capital markets in Türkiye dates back to the late 19th century. During this period, securities trading began with the widespread exchange of bonds issued to finance war-related expenditures in İstanbul. This laid the groundwork for stock market activities, marking the first commercial transactions of securities in the country. The district of Galata, historically a hub for merchants and bankers during the Byzantine period, became the epicenter of these activities. In 1864, a group of financiers known as the Galata Bankers formed an association. The appointment of a commissioner by the Ministry of Finance granted this community state recognition and protection, further institutionalizing their financial activities.

The modern structure of Turkish capital markets, however, emerged much later. In the early 1980s investor protection oriented comprehensive regulatory reforms were deemed necessary by the state. Consequently, the Capital Markets Law was enacted in 1981, and the Capital Markets Board of Türkiye (CMB) was established in 1982 to oversee and regulate market activities.

The establishment of the İstanbul Stock Exchange (ISE) in 1985 marked a significant milestone in the development of capital markets in Türkiye. The ISE began trading at the end of 1985, with initial transactions recorded manually on paper. The digitization of transactions commenced in 1993, and by 1994, the ISE had increased its trading sessions to two per day. In 2013, the ISE was merged with the Turkish Derivatives Exchange and İstanbul Gold Exchange to form Borsa İstanbul. This consolidation created the sole exchange entity in Türkiye, reflecting the country's ambitions to more fully integrate into the global financial system.

A key development in the Turkish capital markets was the 1999 amendment to the Capital Markets Law, which shifted the system from physical securities to an electronic book-entry system. This legislative change paved the way for the establishment of Merkezi Kayıt Kuruluşu A.Ş. (MKK), the CSD of Türkiye in 2001. MKK was tasked with electronically recording and monitoring capital market instruments and related rights, thus enhancing the efficiency and security of securities transactions.

Initially, MKK's operations focused solely on providing central securities depository services, particularly the

dematerialized custody of capital market instruments. However, significant expansions in its role and services occurred following amendments to its articles of association in 2011. MKK began offering a broader range of services, including public disclosure, corporate governance, data and trade repository, reporting, and various investor services.

In 2013, MKK's innovative contributions to the financial sector were recognized when it was granted research and development (R&D) center status by the Scientific and Technological Research Council of Türkiye (TÜBİTAK), becoming the first capital markets institution to receive this designation. Over the past decade, the MKK R&D Center has successfully completed more than 50 R&D projects.

Today, MKK stands as a critical institution in the Turkish financial system, functioning as a data and technology company that develops platforms and applications with its own resources, contributing to the growth and modernization of Türkiye's financial market infrastructure.

MKK'S CURRENT PRODUCTS AND SERVICES

MKK plays a pivotal role as the CSD and Trade Repository (TR) of Turkish Capital Markets, operating under the supervision and regulation of the CMB and the Central Bank of Türkiye (TCMB). Officially licensed as a Financial Markets Infrastructure Institution and an R&D Center, MKK operates an in-house developed depository system and maintains direct links with foreign CSDs like Euroclear Bank and National Depository Center of the Republic of Azerbaijan (NDC) for omnibus accounts that deposit Turkish government debt instruments. Furthermore, MKK has connections with the Austrian CSD – OeKB for the custody and settlement of shares of an Austrian company that is dual listed on Vienna Stock Exchange and Borsa İstanbul. MKK concentrates its services on five main pillars: Depository, TR, Corporate Governance, Investor Services and Financial Technology Services.

Depository Services: Under this category, MKK provides central securities depository services for fully

dematerialized capital market instruments that are traded in Borsa İstanbul Equities, Debt Securities and Derivatives markets, Takasbank Lending Market and Electronic Fund Trading Platform (TEFAS), Turkish Mercantile Exchange (TURIB) e-Warehouse Receipts Spot Market and Crowdfunding Platforms. MKK also provides depository services for bearer shares of companies not regulated under the Capital Markets Law through its Bearer Share Registration System (BSRS), and for company shares listed on the Turkish Republic of Northern Cyprus Stock Exchange.

MKK's proprietary Central Dematerialized System enables reliable and efficient management of capital market instruments and related rights. All corporate actions, such as dividend distributions, redemptions, coupon payments, capital increases or decreases, mergers, and demergers, are carried out electronically through the Central Dematerialized System. The system operates on a beneficial owner-based account structure, with a unique ID assigned to every investor, ensuring transparency in the financial system. Users access the Central Dematerialized System using their electronic signature cards.

Additionally, MKK has been designated as Türkiye's "Financial Accounts Centre", where all financial accounts are consolidated, allowing the entire financial system to be monitored under a single central structure.

MKK also operates the Electronic Warehouse Receipts Center (e-WR), which was appointed as the Electronic Registry Agency by the Ministry of Trade in 2012. This system plays a crucial role in integrating the agricultural sector into the financial system. Authorized physical warehouses store agricultural products and issue electronic warehouse receipts that represent these commodities, which are then monitored in the Central Dematerialized System.

Moreover, MKK's Crowdfunding System (CFS) addresses the growing demand for alternative financing options for entrepreneurs and startups, particularly at the incubation stage. The CFS provides a centralized system where crowdfunding platforms, escrow officers, entrepreneurs, and investors interact to facilitate crowdfunding activities.

Data and TR Services: Trade repositories play a crucial role in financial markets by collecting and maintaining records of derivatives trades. This process aids regulators in monitoring systemic risk build-up and ensuring financial stability. Recognizing this critical function, the CMB authorized MKK to serve as Türkiye's official TR. This designation enables MKK to effectively monitor systemic risks within Turkish capital markets. MKK's e-TR system is instrumental in recording transaction details for over-the-counter and exchange-traded derivatives from both financial and non-financial counterparties. This system adheres to EU regulations and aligns with standards set by the European Securities and Market Authority (ESMA) and European Market Infrastructure Regulation (EMIR). As of July 2024, 235 members are actively reporting to this system daily, generating 300,000 to 350,000 notifications on average each day.

Since 2020, MKK has notably enhanced the Data and Trade Repository Services. These enhancements include T+0 reporting, Fixed Income Reporting, IRMS Investor Risk Monitoring System, IRMS Group Credit and Interest Rate Reporting. MKK's Data Services, which enable the transformation of generated data into meaningful outputs, include the Data Analysis Platform (DAP), Intermediary Institutions MKK Data Analysis Platform (COMPASS), the Real Estate Based and Developing Financial Instruments Information System (REFIS) and REKS Index which has been developed to illustrate investors' risk tendencies. These developments have significantly bolstered MKK's capability in managing and mitigating systemic risk in Turkish capital markets along with ensuring information transparency and improving financial literacy.

Corporate Governance Services: MKK provides a wide range of products and services that improve corporate governance practices of companies. It operates Public Disclosure Platform (PDP), which is an electronic system managed by MKK, designed to facilitate the public disclosure of notifications mandated by capital markets regulations. Developed by MKK's business units and R&D center, PDP provides complete, accurate, and reliable information on companies, capital market instruments, and associated rights to a wide audience, ensuring transparency and market integrity.

All listed companies, intermediary institutions, portfolio management companies, audit firms, rating firms, regulatory authorities and funds disclose their mandatory notifications on PDP. The system's key functions include secure submission of notifications with digital signatures, instant information sharing 24/7, and easy access to historical data through a digital archive. With multi-language support and an Extensible Business Reporting Language (XBRL) data infrastructure, PDP ensures data is analyzable, comparable, and trustworthy. Moreover, financial ratios, the dividend dissemination index, profit and income indices and the corporate governance maturity index are calculated with PDP data and published on the DAP web-site. On annual basis around 150,000 notifications disclosed on the system, and PDP web page has 943,000 users as end of June 2024. The mobile application of PDP has more than 190,000 users. Also, 47 data vendors disseminate PDP news on real time basis.

The Electronic General Meeting System (e-GEM) and the Board of Directors System (e-BDS*) are MKK's advanced corporate governance solutions for the



digitalization of corporate meetings. e-GEM, a dynamic platform, allows all joint-stock companies in Türkiye to conduct general meeting operations before, during, and after meetings in a fully digital environment. Utilizing electronic signatures and communication via email, SMS, and Society for Worldwide Interbank Financial Telecommunications (SWIFT), e-GEM allows shareholders to appoint proxies, issue voting instructions, participate in live broadcasts, express opinions, and cast votes remotely. Developed by MKK's R&D Center in accordance with international standards, e-GEM ensures secure, end-to-end information delivery and offers advanced control for corporate users. Its multi-language capability allows both local and international shareholders to engage in meetings simultaneously. MKK signed a sales agreement with the Indonesian CSD - KSEI in 2017. Currently a customized version of e-GEM is widely used in Indonesia by issuer companies and shareholders.

MKK's most recent addition to these services was the Electronic Board of Directors System (e-BDS⁺) addresses the global demand for remote, secure, and legally effective board meetings, a need that has been amplified by the COVID-19 pandemic and ongoing digitalization trends. e-BDS⁺ enables companies to conduct board and sub-committee meetings electronically, in line with the OECD's recommendation for timely and accurate information access. Key features of e-BDS⁺ include secure communication, multi-language support, electronic signature for decision signing, and access via mobile devices. The system is used by more than 160 leading Turkish institutions, including banks, holding companies, and brokerage houses.

Investor Services: Through MKK'S Investor Information Center (e-INVESTOR) system, investors can access and monitor their capital market investments from a single platform. Developed to provide continuous, up-to-date, and reliable information, e-INVESTOR enables investors to view their investment accounts, track portfolio movements, execute blockage transactions, and receive instant, daily, weekly, or monthly reports on their activities. Integrated with the Central Dematerialized System and the and the PDP, e-INVESTOR also allows investors to monitor pledge and collateral transactions, securities lending, crowdfunding investments, and electronic warehouse

receipts (e-WR). Investors can securely log in using their e-GOVERNMENT credentials, MKK registration numbers, or Turkish Republic ID numbers, ensuring convenient access. The platform's 24/7 availability and comprehensive features help investors manage their assets efficiently and transparently.

Financial Technology Services: This category of services complements MKK's suite of value-added systems and platforms. Leveraging its expertise in developing and implementing financial systems, MKK provides tailored fintech solutions to enhance the efficiency, security, and transparency of capital markets. These services include advanced technology solutions and consulting services to optimize market operations, as well as integrations and collaborations with other institutions, supporting a broad spectrum of financial activities.

MKK holds several key International Organization for Standardization (ISO) certifications, demonstrating its commitment to security, quality, risk management, and business continuity. It is certified under ISO/IEC 27001 for Information Security Management, ensuring the protection and integrity of sensitive data. The ISO 22301 for Business Continuity Management reflecting MKK's readiness to maintain uninterrupted services. In line with global best practices, MKK has also achieved ISO 20000-1 for IT Service Management and ISO 9001 for Quality Management, highlighting its dedication to providing reliable, high-quality services. Moreover, MKK holds ISO 31000 for Enterprise Risk Management, signifying a structured approach to identifying and mitigating risks, and ISO 27701 for Privacy Information Management, ensuring the proper handling of personal data.

International Cooperation And Memberships

MKK has signed Memorandum of Understanding (MOU) with 20 foreign CSDs and maintains formal contacts with numerous others worldwide. It actively participates in working groups and conferences organized by major industry associations, including AECSD, AMEDA, the European Central Securities Depositories Association (ECSDA), the World Forum of CSDs (WFC), and the International Securities Services Association (ISSA). MKK's recent membership in the Asia-Pacific Central Securities Depository Group (ACG) marks a significant milestone in enhancing collaboration with regional peers.

MKK is also making strides to integrate foreign and domestic capital markets. It is establishing direct links and account relationships with foreign CSDs, expanding its global footprint and facilitating international investment flows. Furthermore, MKK is exploring dual listings and similar business models with foreign market infrastructures, offering unprecedented access and exposure to both Turkish and international investors.

In 2020, MKK established its first issuer CSD link with Euroclear Bank, further advancing its integration strategy. This was followed by welcoming NDC of Azerbaijan as a member in 2021. This partnership enables Azerbaijani investment institutions and investors to directly engage in clearing and custody operations for Turkish government debt securities through the NDC omnibus account at MKK. In a reciprocal arrangement, MKK opened an omnibus account under NDC by the end of 2022, solidifying its commitment to cross-border collaboration.

STRATEGIC PRIORITIES AND FUTURE PROSPECTS

Since its inception, MKK has been a pioneer of innovation in the Turkish financial market infrastructure. Aligned with the Turkish Government's "Century of Türkiye" vision, MKK has significantly enhanced its global reputation and positioned itself among the leading CSDs in the world with regard to its technology development capacity. Looking ahead, our vision at MKK is firmly based in technological innovation, operational efficiency, and the expansion of our services. Our strategic focus includes the continuous development of new products and services, reflecting our unique role as Türkiye's CSD and Trade Repository. MKK systems such as the e-GEM and e-BDS⁺ have contributed significantly in strengthening corporate governance practices in our country. The upcoming launch of e-GEM 2.0 will mark a major advancement in promoting shareholder participation and exercise of rights, while enhancements to e-BDS⁺ will further strengthen our corporate governance offerings.

Other planned enhancements in our existing products and services include significant improvements to our depository system, as well as substantial updates to our DAP and PDP platforms. With the development of the Sustainability Compliance Reporting Taxonomy,

stakeholders will be able to use PDP more extensively for sustainability disclosures. Our e-INVESTOR application is also being enriched with new functions, reports, and integrations, solidifying our position as an investor-oriented and innovative institution.

MKK plays a crucial role in managing systemic risk in Turkish capital markets through our trade repository services and risk monitoring platforms such as the Investor Risk Monitoring System (IRMS). We are currently collaborating with other stakeholders to establish the Capital Markets Risk Monitoring Center platform, which will centralize and monitor risk elements across different market areas 24/7, thus enhancing the robustness of our financial system.

Our ambitions extend beyond domestic advancements. We are planning to implement our range of corporate governance and data services in more markets around the globe. To facilitate international investment flows, we are establishing direct links and account relationships with foreign central securities depository institutions. Furthermore, we are exploring opportunities for dual listings and similar business models with foreign markets, which will provide unprecedented access and exposure for both Turkish and international investors.

MKK recognizes that the evolving regulatory landscape for digital assets presents both opportunities and challenges for CSDs globally. In this context, MKK is preparing to play a key role by providing the necessary infrastructure for digital asset service providers and integrating its systems with these institutions. This strategic direction anticipates potential mandates from the CMB in the near future, enabling MKK to bridge traditional financial markets with emerging new asset ecosystems.

At MKK, we take pride in our role as a key actor in the growth and digital transformation of Turkish capital markets. We anticipate that the growth and development momentum of the markets will continue to accelerate, particularly with the opening of the İstanbul Financial Center. MKK will continue to be at the forefront of financial technology innovation, making significant contributions to the development of our markets and the strengthening of our economy. We are excited about the future and committed to realizing our vision of connecting Turkish capital markets with the world.





**AECSD
AMEDA**

**İSTANBUL
SUMMIT**

2024

AECSD MEMBERS



Association
of Eurasian Central
Securities Depositories

ABOUT AECSD



AECSD unites 15 CSDs in 14 countries of the Eurasia region. The Association's mission is to provide a platform for sharing ideas for development and enhancement of depository operations, creating a common depository space, and integrating the CSDs – the AECSD's members into the global securities settlement system.

The foundation for the later establishment of the AECSD was laid in 2001, when its future members gathered in Tashkent to take part in the first international seminar, "Integration of Depository Systems as the Basis for Efficient Interaction on the International Securities Market". At the event, the securities market participants were able for the first time to discuss freely the matters relating to the interaction among the CSDs. The delegates noted the need to establish cooperation between organizations, unite their efforts to improve and harmonize legislation on the securities markets, and find efficient means of cooperation between stock markets in general.

Later on, such seminars were held on an annual basis. The 2002 conference was held in Almaty, Kazakhstan, the 2003 event took place in Baku, Azerbaijan. During those

seminars representatives of CSDs shared their experiences and opinions on relevant issues. Every year the scale of such events increased significantly bringing together a growing number of CSDs, securities market participants, national regulators, and international organizations. The International Conference on Issues of CSDs Cooperation in the CIS Countries held in 2004 in Moscow marked a milestone in the history: the conference participants made a decision to establish the Association.

On 22 December 2004, the 1st (Constituent) Conference of the Association of Eurasian Central Securities Depositories took place in Moscow, Russia. The main goal of the conference was to sign the Resolution on the Establishment of the Association of Eurasian Central Securities Depositories, as well as to set its priorities and draft a work plan.

Today, the AECSD is a dynamically developing professional association that brings together experience and achievements of market infrastructure institutions and securities market participants of different countries. The AECSD takes an active part in initiatives of the WFC, sharing experience and exchanging opinions, coordinating

industry initiatives, and participating in a dialogue with regulators and other organizations all over the world.

In accordance with the Resolution, the main objective of AECSD is to establish a common “depository environment,” including:

- harmonising the regulatory framework;
- developing an optimal model for the recordkeeping system to be used in the securities markets of member countries;
- establishing depository links among the members to support cross-border securities transactions;
- standardising the technologies for depository operation, procedures for depository transaction processing, and rules and regulations governing the depositories’ activities;
- adopting international messaging standards for depository transactions and their use in national practices;
- developing Electronic Document Interchange (EDI);
- developing harmonised standards for depository recordkeeping and reporting;
- supporting a coordinated process to enable Association members to integrate into the global post-trade infrastructure.

Members of the association:

1. ARMENIA - Central Depository of Armenia
2. AZERBAIJAN - National Depository Center of the Republic of Azerbaijan
3. BELARUS - Republican Unitary Enterprise “Republican Central Securities Depository”
4. GEORGIA - Georgian Central Securities Depository
5. INDIA - Central Depository Services (India) Limited
6. INDIA - National Securities Depository Limited
7. INDONESIA - Indonesian Central Securities Depository
8. IRAN - Central Securities Depository of Iran
9. KAZAKHSTAN - Central Securities Depository of Kazakhstan
10. KOREA - Korea Securities Depository
11. KYRGYZSTAN - Central Depository
12. MONGOLIA - Mongolian Central Securities Depository
13. RUSSIA - National Settlement Depository
14. TAJIKISTAN - Central Depository of Tajikistan
15. TÜRKİYE - Merkezi Kayit Kurulusu A.S.
16. UZBEKISTAN - State Enterprise “Central Securities Depository” of the Republic of Uzbekistan

AECSD development

AECSD and the Advisory Committee on Financial Markets under the Board of the Eurasian Economic Commission (EEC) have signed a memorandum of cooperation on November 14, 2019.

The parties agreed to establish long-term cooperation in the field of depository activities, improve the accounting systems for securities and develop infrastructure of financial markets.

AECSD facilitates the expansion of the international agenda of AECSD members both in terms of establishing new links among CSDs within and outside the region and in terms of increased participation in professional international organizations. A number of AECSD members joined SWIFT and The Association of National Numbering Agencies (ANNA) and took part in various global industry initiatives. More AECSD members have started adoption of international standards in ISO messaging thus forming prerequisites for more close integration in the global financial market.

Along with implementing common international standards, AECSD members pay attention to diversification of their business activities and revenue streams. Significant number of CSDs in the AECSD region invest in research and development of the digital assets space, including development of DLTs, and evaluate how new technologies could be implemented the CSD services. AECSD knowledge exchange programs promote

introduction of user applications, e-voting, marketplaces and other remote services allowing for individuals and legal entities to establish direct access to their securities accounts with CSDs. AECSD also supports the interest for the members in fund management, crowd-funding along with solutions in pension funds and social programs.

All spheres of AECSD members' interest are regularly included in agendas of the AECSD events: AECSD Annual Training Seminar, the AECSD Annual Conference, Academic Webinars and Task Forces meetings.

AECSD continues its research to better understand its participants and create an overview of their business in different aspects, including the implementation of environmental, social and governance (ESG) standards among the AECSD members. More than a half of the AECSD participants have long-term ESG goals and about a third - develop services based on the ESG principles.

AECSD is constantly improving to increase its effectiveness and bring feasible results for its members. One of the steps in this direction was the reform of the Association's working groups, that were cut down to only 2. The first one is permanent International Cooperation working group that is dealing with AECSD participation

in the international activities and initiatives and include representatives volunteered from the majority of the members. The second working group is assembled on request of the members to work out any particular topic. The result of its activities may differ based on the request of the members including a special seminar, a white paper, analytical report, etc. This composition has already proven its efficiency both in terms of knowledge spreading and as tool to increase participation of all the members in Association ongoing decision-making process.

The AECSD remains a significant platform for its members to obtain international and regional expertise. AECSD is honored to support global initiatives such as WFC E-Learning Platform, administrated by the AECSD. AECSD is always determined to be faithful to the moto of the Association "Evolution through diversity. Success through amity and cooperation". The Association will continue developing with its members and ensure the fulfillment of its mission in providing a platform for sharing ideas for development and enhancement of depository operations, creating a common depository space, and integrating the CSDs – the AECSD's members into the global financial markets.



AECSD Members



	Armenia		Kazakhstan
	Azerbaijan		South Korea
	Belarus		Kyrgyzstan
	Georgia		Mongolia
	India		Russia
	Indonesia		Tajikistan
	Iran		Türkiye*
			Uzbekistan

* Türkiye is featured at the beginning of this publication since MKK is a full member of both AECSD and AMEDA.



ESTABLISHMENT AND DEVELOPMENT OF CDA: CAPITAL MARKET IN ARMENIA

The establishment and development of the Central Depository of Armenia (CDA) marks a significant milestone in the evolution of the capital markets in Armenia. In the early 1990s, following Armenia's independence, the country embarked on economic reforms aimed at transitioning to a market-driven economy. Part of this transformation involved the creation of regulatory frameworks and financial institutions to support the expansion of capital markets.

In 1993, Armenia adopted its first securities law, laying the groundwork for the regulation of the capital market. This legislation established the legal framework for the creation of institutions such as the Central Depository. Subsequently, CDA was founded on 10 January 1996, it was originally called the "National Centralized Register" and was renamed to the "Central Depository of Armenia" in April 1999.

The CDA was established to enhance the efficiency and reliability of securities transactions and foster investor confidence in the Armenian capital market. As a critical infrastructure for the securities market, the CDA

plays an essential role in the clearing and settlement of securities transactions, custody of securities, and maintenance of accurate securities ownership records. The establishment of such an institution was pivotal for Armenia, as it provided a foundation for the development of an organized, transparent, and efficient capital market. The development of the Armenian capital market was also driven by the establishment of the Armenia Securities Exchange (AMX) in 2001.

In 2006 regulatory oversight transitioned to the Central Bank of Armenia, simplifying supervision within the financial system. Subsequent legislative updates, notably the enactment of the 2007 "On Securities Market" law and the CDA's relicensing in 2008 ensured alignment with evolving market dynamics and regulatory standards. Despite initial challenges typical of emerging markets, such as limited trading activity and low liquidity, the CDA played a vital role in building trust among market participants by ensuring the integrity and security of transactions.

In 2009, the AMX (formerly NASDAQ OMX Armenia JSC) acquired 100% ownership of the CDA, marking a significant milestone in its corporate structure. Embracing



SERVICES AND PRODUCTS OF CDA

CDA plays a crucial role in enhancing the efficiency of securities and financial operations for local and international stakeholders. By streamlining clearing and settlement processes, registering issuers and securities, and overseeing funded pension administration with advanced software solutions that meet

technological advancements, the CDA implemented electronic systems to enhance operational efficiency and reduce manual process-related risks. Joining the SWIFT system in 2010 and introducing new operational models in 2013 further modernized Armenia's depository system. Initiatives such as online retail bond trading systems and connections to global platforms like Clearstream in 2016 expanded market accessibility.

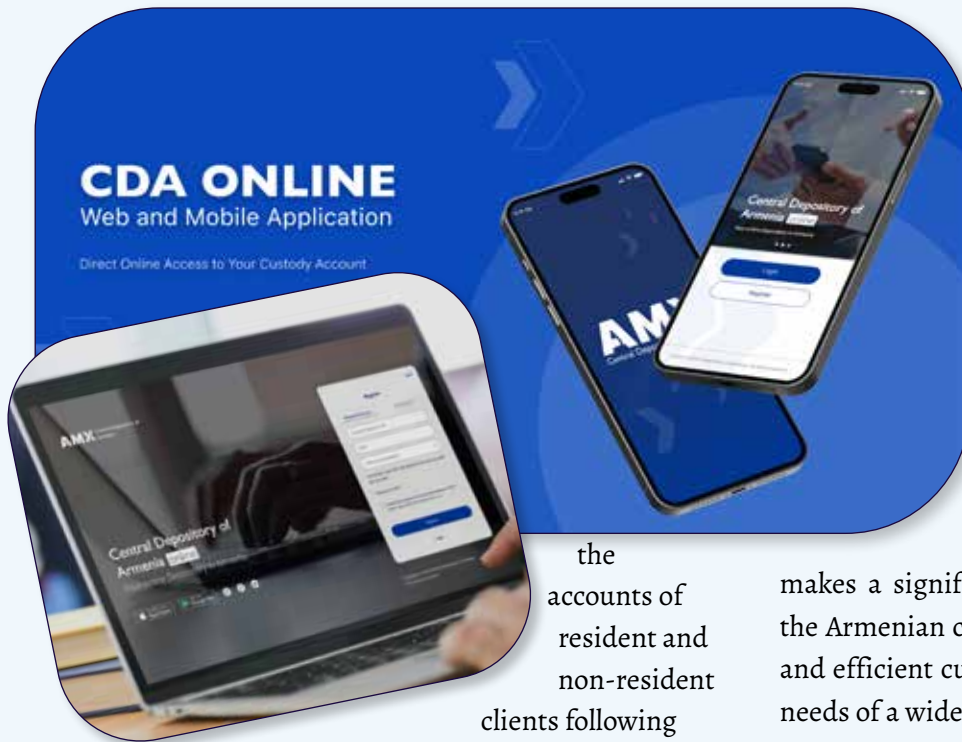
The CDA's achievement of ISO 9001:2015 and ISO/IEC 27001:2013 certifications in 2019, reaffirmed in 2022, underscored its commitment to operational excellence and data security.

The launch of the CDA Online application in 2021 facilitated investor access to depository services and enabled electronic shareholder meetings, enhancing market inclusivity and efficiency. Continual alignment with global standards has facilitated cross-border transactions and attracted foreign investment, contributing to Armenia's capital market growth and internationalization. The establishment and ongoing development of the CDA reflect Armenia's commitment to fostering a robust financial infrastructure essential for sustained economic development.

global standards, the CDA links the Armenian and international capital markets. The CDA offers a broad range of services that facilitate the operational aspects of the securities market.

One of the main services provided by the CDA is registry keeping, which includes registration of companies and the securities issued by them, registration of corporate actions such as division or merger of companies, increase or decrease of share capital, consolidation or split of shares. The CDA provides several services related to the placement of securities and provides issuers with information about securities registered in the register. CDA assigns international identification codes to securities such as International Securities Identification Numbers (ISIN), Classification of Financial Instruments (CFI), and Financial Instrument Short Name (FISN), which help describe securities and make them recognizable across financial systems and countries. CDA also has plans to become an LEI-code issuer.

Another main service is custody. CDA provides services related to the securities and cash accounts opening or closing. Account holders receive reports on account balances, statements, and transaction details. Depository services include the custody of securities in



the accounts of resident and non-resident clients following

custody agreements. The CDA controls various types of transfers such as simple and portfolio transfers. CDA oversees the settlement of purchases and sales of securities to ensure the final transfer of securities from seller to buyer and the corresponding payment from buyer to seller.

CDA also provides fund administration services, which include maintaining a register of owners of shares issued by the fund, recording transactions related to the placement/buyback and affiliation of the fund-issued units, and custody of units issued by the fund.

CDA extends its offerings to pension services. These services include maintaining pension accounts, providing account statements, and assisting with funded pension reception. In addition, the CDA serves as a collection center for funded pensions, facilitating the smooth transfer of pension funds to eligible beneficiaries.

Services are also efficiently provided through the CDA Online platform. Accessible through mobile and web apps, the platform allows users to easily view their checking account balances, track transactions, process payments related to securities transactions, directly connect with CDA for support and queries, and participate in corporate decision-

making in electronic form through electronic voting. In addition, CDA Online supports four types of transfers: simple transfer, delivery versus payment (DvP) / free of payment (FOP), portfolio transfer and funds transfer, which increases the flexibility of securities management. It also offers pension account management features including balance checks, pension fund changes, and email notifications. By integrating these services, CDA simplifies securities management and

makes a significant contribution to the development of the Armenian capital market by providing reliable, secure and efficient custody and financial services that meet the needs of a wide range of investors.

CDA'S VISION AND PLANS IN THE LIGHT OF CURRENT DEVELOPMENTS

Since our establishment in 1996, CDA has been essential in shaping Armenia's financial landscape. Over the years, we have achieved significant milestones that have laid a strong foundation for the country's capital market infrastructure. Our focus on creating a robust and efficient system has built a solid foundation for an organized and transparent capital market in Armenia.

As a crucial component of the securities market, CDA ensures the accurate and timely registration, clearing,



and settlement of securities transactions. Our role extends to the secure custody of securities and the precise maintenance of ownership records, which are fundamental to market integrity and investor confidence. Adhering to regulatory standards, including the latest Anti-Money Laundering (AML) protocols, was another step toward the transparency and security of transactions, further setting trust within the financial ecosystem.

From our establishment, building and strengthening partnerships with key financial industry players was a critical aspect of our strategy. We aimed to enhance market resilience and growth by creating synergies with these entities. Partnerships enabled us to offer more comprehensive services and support the development of a robust financial ecosystem in Armenia. This international perspective is crucial for attracting foreign investment and facilitating cross-border transactions.

As technology develops and becomes an integral part of daily life, we remain committed to technological innovation,

continuously enhancing our digital platforms to offer even more powerful solutions. The CDAOnline application underwent ongoing improvements, incorporating the latest advancements in fintech to provide superior service and security.

By prioritizing these elements, we have built trust and reliability in our operations, enhancing investor confidence and market integrity.

Moving forward, our focus will remain on enhancing our services, adopting new technologies, and upholding the highest standards of integrity to meet the evolving needs of market participants. Embracing innovation and maintaining high standards, the CDA aims to attract more foreign investments, contributing to the sustained economic growth of our country. The CDA is committed to playing a pivotal role in Armenia's economic development, ensuring that our financial market stays dynamic and globally competitive. Through our efforts, we strive to build a legacy of innovation and excellence that will benefit the Armenian economy for years to come.





NATIONAL DEPOSITORY CENTRE
OF THE REPUBLIC OF AZERBAIJAN

ESTABLISHMENT AND DEVELOPMENT OF NDC: CAPITAL MARKET IN AZERBAIJAN

The formation of securities market in Azerbaijan began in the 20th century. This period was marked by the emergence of the first financial institutions and trading platforms, which became the foundation for further development and establishment of the modern securities market in the country. Against the backdrop of increasing oil revenues and successful reforms, Azerbaijan entered the ranks of countries with high economic growth rates. This growth had a positive impact on the financial system along with other sectors of the economy. Reforms were aimed at creating an effective financial structure and institutional development. Legal framework for regulating financial markets in line with advanced standards was created, and modern operating systems were introduced in various segments of this sector.

Number of measures were taken to develop capital market infrastructure, in particular, main institutions were created, such as securities market regulator, National Depository Center (NDC), Baku Stock Exchange and investment companies. Securities Committee initially acted as the regulator, which was later transformed into

the Financial Market Supervision Chamber. Currently, functions of the regulator are performed by the Central Bank of the Republic of Azerbaijan (CBA). Also, within the framework of the ongoing reforms, various financial instruments were issued into circulation, including shares, government and corporate bonds, CBA notes, and in 2000, trading in securities began on Baku Stock Exchange. First repurchase agreement (REPO) transaction was carried out in 2001. In 2013, the market maker institute was established. In 2015, the Law “On the Securities Market” came into force. In 2016, as part of the Capital Markets Modernization project, Trading and Post-Trading System of the Securities Market of Azerbaijan was presented. In 2022, within the initiative of CBA, a new Securities Issue System was put into operation. With the help of the new system, services provided to issuers by CBA, NDC and Baku Stock Exchange related to state registration and placement of investment securities (shares and bonds) were automated.

In 2023, NDC and Baku Stock Exchange launched the Central Securities Depository Platform (CEDAR) and the Trading System (BETP). In 2024, CBA adopted a development strategy for 2024-2026 aimed at further

improving and strengthening the country's financial sector. This strategy includes several key areas that should help improve financial infrastructure, increase transparency and strengthen trust in both financial institutions and the investment environment as a whole.

NDC of Azerbaijan has come a long way since its foundation in 1997. For several decades, NDC has been actively working to create and improve the infrastructure of the securities market in the country, ensuring reliability and efficiency of its operations. In 1998, NDC signed the first agreement on the provision of securities custody and shareholder register services. In 2001, NDC began providing services related to corporate bonds, and in 2004 - securities services for banks. Since 2004, NDC has also acted as a co-founder of the AECSD, which has strengthened international ties. In 2005, NDC opened a branch in Nakhichevan exclave of Azerbaijan, making its services more accessible to investors from this region of the country. In 2006, NDC opened its first correspondent account for a foreign depository and entered into a global cooperation agreement with ANNA, receiving the status of a National Numbering Agency. In 2007, NDC began assigning international ISIN codes to securities issued in Azerbaijan. In the same year, centralized custody of corporate securities began. In 2008, NDC became a full member of ANNA and ISSA. In 2009, it began providing collateral manager services for covered bonds. In 2010, an electronic link was established between the NDC and Baku Stock Exchange to ensure uninterrupted transactions on the exchange. In 2011, NDC provided brokers with remote access to its depository system, and in 2012, all securities in circulation received ISIN codes. Since 2013, NDC has been the central depository for government securities. In 2014, T+n settlement system was introduced. In 2015, in accordance with the Law "On the Securities Market", NDC was declared the central institution of the depository system, transforming into a non-profit legal entity. In 2016, as part of the introduction of a single system uniting all infrastructure institutions of the securities market of Azerbaijan, the CS/DR (Clearing-Settlement and Depository-Registrar) system, which is part of CETA and includes the functions of clearing, settlements, depository and registrar, was put into operation.

In 2017, NDC system was integrated with AZIPS, the interbank payment system of Azerbaijan, that provides fast and secure settlements between financial institutions in the country. In 2019, a new Settlement Agent model was introduced for clearing and settlements. In 2021, NDC opened a nominee account with MKK the CSD of Türkiye and introduced "Transfer of securities between accounts" service through the "E-Cabinet" platform for investors. In 2022, a nominee account for MKK was opened at NDC. In 2023, NDC put into operation the CEDAR which is the CSD Platform. New system, created in accordance with the advanced ISO 20022 standards, allows for more efficient management of business processes. At the end of the same year, NDC Development Strategy for 2024-2026, prepared with the support of the CBA, was approved. As part of the strategy, NDC aims to transform into an organization with improved corporate governance and information security, offering a wide range of services and having an effective operational structure.

SERVICES AND PRODUCTS OF NDC

Being the nation's single central depository and holding a prominent position in the securities market's infrastructure, the NDC offers a wide range of professional services, including the implementation of depository operations, keeping up with the register of securities owners, clearing and settling transactions involving securities, and acting as a paying agent, manager of collateral for secured bonds, and National Numbering Agency. Since all operations on the services are performed by highly skilled professionals utilizing software that satisfies cutting-edge standards, task performance is ensured to be dependable and efficient.

Depository services

In accordance with the Law of the Republic of Azerbaijan "On the Securities Market", the NDC together with its members, which are investment companies, banks implementing investment services (operations) and local branches of foreign banks, as well as depositories and managers of investment funds, form a depository system. NDC is the central institution responsible managing this system. Depository services include safekeeping and



accounting of securities, opening and maintaining records of securities owners' accounts, registration of securities transactions, registration of facts of encumbrance of securities, provision of account statements and information on completed transactions upon request of clients, as well as servicing of correspondent depositories. NDC ensures safe safekeeping and accounting of securities, guaranteeing the protection of our clients' assets and prompt execution of all transactions.

Registrar services

Registrar services cover the formation and maintenance of the register of securities owners, opening and maintaining accounts of nominal holders, organizing general meetings of shareholders, as well as conducting operations of splitting, consolidation and conversion of securities. Thanks to advanced technologies, the register of securities owners is maintained with a high degree of accuracy and timeliness, which allows clients to effectively manage their investments.

Clearing and Settlement Services

According to the Law of the Republic of Azerbaijan "On the Securities Market", NDC as a central depository can engage in clearing activities without obtaining an appropriate license. Currently, clearing operations are carried out for exchange transactions with securities. Operations are carried out through a single software that guarantees their security and efficiency. Currently, NDC only settles securities, but in the near future it is planned to implement cash settlements, in accordance with the

latest amendments made to the Law of the Republic of Azerbaijan "On the Securities Market" in July 2023. Cash settlements will be carried out on accounts opened and serviced in our depository.

Payment Agent Services

Since 2016, NDC has been providing issuers with payment agent services for securities issues. As a payment agent, we ensure reliable and timely execution of payments on financial instruments, including dividends on shares, as well as interest and principal on bonds.

Secured Bond Collateral Manager Services

NDC provides secured bond issuers with collateral manager services. Provision of these services implies that NDC, on the basis of the relevant agreement with the issuer, acts as a manager of secured bonds. That is, in the event of non-fulfillment or improper fulfillment of obligations on issued bonds, NDC uses the right to dispose of collateral to satisfy the claims of bondholders.

National Numbering Agency Services

In 2006, NDC signed a cooperation agreement with the ANNA and was authorized as the National Numbering Agency for Azerbaijan. As part of this status, NDC began assigning international identification codes ISIN for securities issued in the country.

In accordance with the NDC Development Strategy for 2024-2026, the range of services provided is expected to expand. Currently, the NDC team is actively working on their development, focusing on international experience and advanced standards.

NDC'S VISION AND FUTURE PLANS

NDC plays a key role in ensuring the stability and development of the financial market of Azerbaijan since its establishment in 1997. NDC operates as the central depository of the country, established by the Central Bank of the Republic of Azerbaijan. Being a systemically important institution of the securities market, NDC is

a non-profit organization whose income is directed to the development of the depository system. The activities of the central depository are regulated by the Law of the Republic of Azerbaijan “On Securities”. NDC always strives to comply with advanced international standards and ensure the reliability and security of the operations carried out. In the context of the dynamic development of the securities market in recent years, NDC is constantly improving and introducing modern technologies, which guarantees a high degree of reliability and transparency, helps to strengthen the confidence of issuers and investors, and promotes the efficient operation and stability of the financial system of Azerbaijan. NDC actively supports and develops international relations, cooperating with leading foreign depository institutions, which allows exchanging experience and improving the quality of services provided. In addition to membership in the AECSD, we are members of such reputable organizations as ANNA and ISSA.

Our activities are focused on providing a wide range of high-quality financial services, including depository operations, maintaining a register of securities owners, clearing and settling securities transactions, as well as providing services of a paying agent, trustee and the National Numbering Agency. According to the amendments to the Law of the Republic of Azerbaijan “On Securities” made in 2023, the NDC will be able to open cash accounts, as well as carry out clearing and settlements on securities transactions without an appropriate license. We are currently developing a new clearing and settlement model that will meet advanced standards and ensure high operational efficiency.

On December 30, 2023, with the support of the Central Bank of the Republic of Azerbaijan, a new Development Strategy of the NDC for 2024-2026 was approved. The strategy defines such strategic goals as developing the NDC’s areas of activity, increasing the efficiency of operations and services, creating a reliable, sustainable

and high-image organization, forming an effective working environment and a professional team.

Main areas of development include expanding the range of services provided, forming a central counterparty model and supporting the development of the capital market ecosystem. We aim to create a functional and flexible IT infrastructure, increase the level of digitalization, move to a customer-oriented approach and improve the financial management system. Our plans also include creating a reliable, sustainable and high-image organization by improving risk management mechanisms, developing compliance control to combat money laundering and terrorist financing, strengthening information security and forming a corporate image. We will strive to form an effective working environment and a professional team, optimizing human resource management processes and developing a corporate culture. The vision is to modernize NDC to become an innovative depository, clearing and settlement institution that meets the challenges of the modern capital market and provides a wide range of services.

The mission of the NDC is to form a reliable, efficient and sustainable depository ecosystem focused on the development of the capital market and the expansion of digital services. Our values include development, reliability and integrity. These principles form the foundation of our activities, ensuring sustainable growth and high quality of services.

The new mission, strategic vision and values are focused on achieving the long-term goals of the NDC. Successful implementation of the goals and priorities of the NDC Development Strategy for 2024-2026 will have a significant impact on the development of the capital market of Azerbaijan and will make a vital contribution to strengthening the country’s financial system.



HISTORY OF THE DEVELOPMENT OF THE SECURITIES MARKET IN THE REPUBLIC OF BELARUS, CREATION OF THE CENTRAL DEPOSITORY

Stages of development of the securities market in the Republic of Belarus:

1991–1993: Establishment of the legal framework, adoption of the Law on Securities and Stock Exchanges, emergence of the first securities and market participants.

1993–1998: Formation and intensive development of the market for government securities, stock and currency exchanges, and the over-the-counter market. On June 26, 1995, the Republican Central Depository of Securities was established, marking the beginning of the formation of the depository system.

1997–2008: Period of development of the bill market and the formation of the municipal bond market.

2009: The start of intensive development of the corporate bond market following the establishment of a preferential tax regime for this type of security.

2015: Adoption of a new Law on the Securities Market.

The securities market in the Republic of Belarus is characterized by the dominant share of government and corporate bonds in its structure. The regulator of the securities market is the Ministry of Finance of the Republic of Belarus.

2023 was marked by significant legislative changes in the securities market. New types of bonds and market institutions were introduced:

Depository bonds: Have a simplified issuance procedure, registered by the Central Depository.

Structured bonds.

Strip bonds: Provide for the possibility of separate placement and circulation in the form of strips for the nominal value and interest income on strip bonds.

Exchange bonds: Issued within programs, registered by the exchange.

Institutions of qualified investor and foreign nominal holder.

FUNCTIONS AND SERVICES OF THE CENTRAL SECURITIES DEPOSITORY OF BELARUS

The depository system of the Republic of Belarus includes the Republican Central Securities Depository and second-level depositories that have established correspondent relations with the Central Depository.

The Central Depository is subordinate to the Ministry of Finance of the Republic of Belarus, being the key infrastructure organization of the securities market, ensuring the uninterrupted and reliable functioning of the depository and settlement and clearing systems for securities. The Central Depository is a member of the Association of Eurasian Central Securities Depositories, the Association of National Numbering Agencies.

The Central Depository provides services to correspondent “depo” accounts of more than 30 depositories (including non-resident depositories) and more than 21,000 “depo” accounts of issuers and depositors, including the Ministry of Finance, the National Bank and the Development Bank of the Republic of Belarus.

The total volume of securities held under centralized custody is more than 95 billion BYN. More than 100 thousand depository operations are carried out annually.

The Central Depository assigns ISIN, CFI and FISN international codes to securities, and is also connected to the international interbank information transfer and payment system SWIFT.

Main functions of the Central Securities Depository:

- centralized accounting and custody of the securities that have been registered (state registration) in the depository system;
- control over the total number of securities of each issue;
- maintaining unified reference books of the depository system;
- maintaining correspondent “depo” accounts of second-level depositories, making transfers of securities through these accounts, including correspondent accounts of non-resident depositories;
- services for collecting the register of securities owners;
- accounting of rights to shares owned by the state;

- assignment of national and international securities codes;
- information and consulting services;
- maintaining accounts of depositors, issuers of securities, making transfers on the accounts of owners;
- registration of transactions with securities;
- performing the functions of a settlement depository on the exchange market.

DEVELOPMENT STRATEGY OF THE CENTRAL DEPOSITORY OF BELARUS

The development strategy of the Central Depository as one of the most important elements of the financial market infrastructure of the Republic of Belarus is determined by the functions assigned to it and consists of organizing activities and further improving the mechanisms of operation of the national depository system in the conditions of a modern market economy, the development of the securities market and information technologies, and the intensification of international integration processes of stock markets.

The digitalization of mechanisms for investment, accounting and custody of securities has created the need for the Central Depository to implement a major functional task - the creation of a Remote Customer Service System (RSS) based on Internet technologies. In January 2024, the first version of the RSS was put into operation.

The creation and development of a RSS will allow clients of the Central Depository to independently initiate and carry out depository operations, use feedback tools and additional information services.

In accordance with the adopted amendments to the Law of the Republic of Belarus dated January 5, 2015 “On the securities market” The Central Depository takes part in the formation of the institution of a foreign nominal holder, a qualified investor, directly carries out registration and depository accounting of depository bonds, is vested with the right to carry out accounting, custody and settlements on Separate Trading of Registered Interest and Principal of Securities (STRIPS).



The institution of a qualified investor exists in many countries; its implementation helps to minimize the risks of manipulation and fraud and increases the liquidity of securities. The system of accounts for qualified investors is organized on the basis of the Central depository. The institution of a nominee holder will provide foreign investors with the opportunity to work in the Belarusian market through non-resident depositories, which will open nominee holder accounts in the Central depository. Depository bonds as a new instrument will have a simplified issuance procedure, minimal financial requirements for issue, and higher yield. To increase the security of owners, registration, custody and accounting of depository bonds will be carried out on the basis of the central depository. A completely new financial instrument - stripping - is the process of dividing a coupon bond into its component parts in the depository system: coupon and principal. Stripping is aimed at increasing liquidity and activating the bond market through separate circulation of coupons and principals in the form of strips. The functional and technological center of stripping will be the Central depository.

The efficiency of the Central depository has a high degree of correlation with the state of the financial market. The more actively and intensively its segments progress, the higher the variety of available instruments, the involvement of legal entities and individuals in operations, the greater the development resource the Central depository has. The opposite is also true: increasing the stability of the Central depository and offering it new services and functions has a positive effect on the number of transactions in securities.

We set ourselves the tasks of maintaining the high quality of implementation of our functions, expanding and strengthening the client base, improving the software and hardware infrastructure for providing depository and other services, including in terms of providing clients with remote service capabilities, modernizing the software and hardware complex, and developing international connections, information and analytical component of depository activities, implementation of new functions with which the Central Depository is endowed in accordance with the legislation of the Republic of Belarus.





DEVELOPMENT OF CENTRAL DEPOSITORY AND CAPITAL MARKET IN GEORGIA

Almost immediately after Georgia declared sovereignty and gained independence, exchanges began to appear in the country. In 1991 there were more than 20 of them. There was practically no legislative framework. Regulation was carried out by the Ministry of Finance on the basis of the “Temporary instructions on securities and joint-stock companies.” Later, an “Inspectorate” was created under the Ministry of Finance and two large exchanges that actually worked were identified: “Caucasus Exchange” and “Tbilisi Universal Exchange”. The first one worked actively until 1995 and on its basis in 1999, with the help of the Barents Group Project, which was financed by USAID, the Georgian Stock Exchange (GFE) was created, which operates to this day. The Second Exchange worked for a little over a year and closed.

The Caucasus Exchange played a big role in the development of the capital market in Georgia. It had more than 200 employees and operated a “Stock Exchange School” that trained and certified brokers. The members of the Exchange were more than 400 actively working, and in

total more than 700 brokerage companies, more than 2.5 thousand brokers.

The Caucasian Exchange conducted trading in currencies, raw materials, goods, and since 1993 a stock section was opened.

A new impetus to the development of the financial market was given by the privatization of state-owned enterprises in 1996-1998. Over a thousand private joint stock companies and a securities market emerged (mainly shares). During this period, under the TESIS project (EU), “Independent Securities Registrars” were created. At different times there were up to 9 of them. Currently 3-4.

According to the project of the Barents Group (USAID), not only the GSE was created, but also the Securities and Exchange Commission, according to the USA standards. At the same time, the “Law on the Securities Market” was prepared by the Barents Group with the participation of Georgian specialists. Special trainings and workshops were held throughout the country for journalists, lawyers, government officials on the functioning and development of capital markets, corporate law, the international accounting system, etc.

In the same year 1999, the GSE created the Central Depository (GCSD), the founders of which were also 4 of the largest Georgian commercial banks. By 2007, the turnover on the stock exchange reached 100 million Georgian laris, but changes made to the law on the securities market led to a sharp drop in interest in the organized stock market, the reorganization of joint-stock companies into limited liability companies.

Almost all privatized companies became the property of several owners, including those not interested in issuing shares. The stock market is still in decline. Since 2016, interest in bonds, both corporate and government, has increased. It should be noted that the functions of the Central Depository of Government Securities are performed by the National Bank of Georgia along with the function of a mega-regulator of the financial market.

Since 2019, to perform the functions of the central depository, a single computer program has been used - Georgian Securities Settlement System (GSS), which allows both to keep records of the Central Bank and to carry out settlement operations on OTS, as well as exchange transactions.

During this period, practically all licensed commercial banks became members and/or participants of the GCSD.

In 2015, the GSE, with the participation of commercial banks, created the Tbilisi Stock Exchange, which is equipped with a modern trading platform and is in direct contact with the accounts and assets of the Central Depository. This, in turn, makes it possible to carry out the so-called day trading.

The Central Depository carries out the settlement of transactions with securities itself, and it carries out monetary settlement by generating payment orders for commercial banks, using the RTGS system of the National Bank.

In the last period, a law on the ownership of non-materialized securities was adopted and came into force in 2024, which significantly changed the structure and functioning of the capital market and its infrastructure. In particular, some functions of the registrar of public securities were transferred to the Central Depository.

It should be noted that initially, in Georgia, in accordance with the law on the securities market, all securities are issued in intangible form and represent an entry in the electronic register.

Currently, the rules and procedures of the Central Depository are being brought into compliance with the new law and its by-laws.

DEPOSITORY SERVICES

The Central Depository provides secure, centralized storage of securities and related rights for GCSD members and participants developed together with the National Bank of Georgia - Georgian Securities Settlement System - GSS, which includes brokerage companies, commercial banks and the RTGS system of the National Bank.

Currently, the settlement system for transactions concluded in foreign currency is being prepared for operation, so far only in US dollars and euros.

GCSD settles both over-the-counter and exchange transactions (for two active stock exchanges). Transactions based on the DVP and FOP methods. GCSD, under its own license, provides central settlement and clearing. At the same time, it still does not perform the function of a central counterparty (CCP).

GCSD has been providing dedicated depository services for private pension funds for over 20 years. At the request of the participants, it issues global depository receipts (GDRs). Although the law allows the admission of securities of foreign issuers - non-residents in the depository system and in the listing of stock exchanges.

GCSD participants actively work in the repo market through a central depository, as well as manage securities auctions.

The immediate action plan of the central depository includes: perfecting the operational rules and procedures and bringing them into compliance with the legislation; obtaining a license for the implementation of special depository activities of investment funds; implementation of currency settlement; establishing international correspondent relations.



ESTABLISHMENT AND DEVELOPMENT OF KSEI AND HISTORY OF THE CAPITAL MARKETS IN INDONESIA

Indonesian CSD (KSEI) was established in Jakarta on December 23, 1997. Pursuant to Law No. 8 of 1995 concerning Capital Markets, KSEI serves as a CSD in the Indonesia Capital Market by providing Central Custodian services and settling Securities transactions in an orderly, fair and efficient manner. In the Indonesia Capital Market, KSEI is one of the Self-Regulatory Organizations (SRO), along with the Indonesia Stock Exchange (IDX) and Indonesia Clearing and Guarantee Corporation (IDClear).



In the Indonesia Capital Market structure, SRO is under the supervision of the Financial Services Authority (OJK). Thus, IDX, IDClear and KSEI are responsible to OJK in all matters related to capital market activities. IDX, IDClear, and KSEI must also obtain OJK approval in preparing the Articles of Association, preparing the Annual Work Plan and Budget, preparing regulations, and other strategic matters related to the Company's activities. Over the past four decades, the Indonesia capital market has undergone a remarkable transformation, evolving into a dynamic financial environment. The journey began in the 1990s when the market experienced significant growth with a notable increase in the number of listed companies and trading volume. Despite facing major setbacks during the Asian financial crisis in the late 1990s, Indonesia's capital market adapted and strengthened its foundation, emerging more resilient. One of the key developments during that period was the issuance of Law Number 8 of 1995 concerning the Capital Market, which provided a regulatory framework for market operations. This law also led to the establishment of Indonesian Clearing and Guarantee Corporation (KPEI) and KSEI, both of which have been essential in supporting the growth and sustainability



of the market. The first decade of the new millennium brought significant advancements. In 2000, the SRO launched initiatives to modernize market infrastructure, including the introduction of a scripless trading system that leveraged technological advancements. This innovation marked a key step in improving the efficiency and transparency of the Indonesian stock market. Another milestone occurred in 2007 with the merger of the Jakarta Stock Exchange (JSX) and the Surabaya Stock Exchange (SSX) into the unified IDX. This merger was aimed at improving market liquidity, simplifying regulations, and providing investors with a more integrated platform. The next decade saw further evolution in governance and market confidence. In 2011, the establishment of the OJK marked a major regulatory reform. The OJK replaced the Capital Market and Financial Institutions Supervisory Agency (Bapepam-LK), becoming the central authority responsible for supervising and regulating all financial services sectors, including the capital market. This shift was pivotal in enhancing the oversight and credibility of the Indonesian financial system. In 2012, to increase investor in investing, regulations were enacted requiring the opening of Customer Fund Accounts (RDN) at designated banks. Additionally, the introduction of the Single Investor Identification (SID) streamlined the investor registration process and enhanced security, helping build trust among market participants. Efforts to boost market efficiency continued in 2018 when the stock exchange transaction settlement cycle was reduced from T+3 to T+2, further aligning the Indonesian capital market with international best practices. Post-pandemic, the

Indonesia capital market showed resilience and continued recovery. Between 2021 and 2024, the market witnessed a surge in market capitalization and trading activity, driven by increased investor participation and positive economic developments. In line with the growing complexity of financial markets, the OJK and SRO have also focused on expanding financial education and literacy programs. These initiatives aim to improve investor understanding and ensure broader participation in the capital market, further contributing to its growth and stability. The Indonesia capital market continues to evolve, playing a vital role in the nation's economic development. Its journey over the past four decades demonstrates resilience, innovation, and adaptability, ensuring its place as a key player in the global financial landscape.

PRODUCT AND SERVICES OF KSEI

On January 9, 1998, KSEI began carrying out operational



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activities in the form of depository Securities transactions settlement by taking over similar functions from PT Kliring Deposit Efek Indonesia (KDEI). On July 17, 2000, KSEI, together with IDX and IDClear, implemented scripless trading and settlement of Securities in the Indonesia Capital Market. To ensure the Securities and comfort of investors in completing transactions in the Capital Market, all Securities settlement and storage activities are carried out through The Central Depository and Book Entry Settlement System (C-BEST). C-BEST is an integrated electronic platform to support the settlement

of book-entry Securities transactions in the Indonesia Capital Market. C-BEST is the main system for operational activities carried out by KSEI related to the storage and settlement of Securities transactions in the Indonesia Capital Market. Currently, settlement of Securities transactions at KSEI can be done in Rupiah and US Dollars. In 2006, KSEI expanded its services by becoming a Bank Indonesia Sub-Registry for administering Government Securities. KSEI's Asset Under covers various types of Securities, including Shares, Rights, Warrants, Corporate Bonds, Government Bonds, Term Notes and Negotiable Certificate of Deposit. Since January 31, 2012, OJK requires every investor in the capital market to have a SID issued by KSEI and open an Investor Cash Account (RDN) at the RDN Administrator Bank. SID is a single identity number for investors, which makes the investor identification process easier and becomes the basis for further capital market development. At the same time, Securities Companies are obliged to provide investors access to AKSes.KSEI, a system developed by KSEI for investors to monitor their investments ownership and movement in Indonesia Capital Market. AKSes is introduced to enhance transparencies and investor protection in the Indonesia Capital Market. In 2016, KSEI implemented an Integrated Investment Management System (S-INVEST) to integrate the mutual fund transaction reporting process in Indonesia Capital Market. S-INVEST increase reporting and supervision efficiency for the Mutual Fund industry in Indonesia. In 2018, KSEI's services received a fatwa from the National Sharia Council - Indonesian Ulema Council (DSN-MUI) for the application of sharia principles in the implementation of Securities transaction storage and settlement services as well as integrated investment infrastructure management. The existence of this sharia fatwa complements the sharia principles that previously existed in investing in the Indonesia Capital Market. In 2019, KSEI succeeded in implementing cash settlement through the Central Bank for all types of securities (full Central Bank Money-full CeBM). In the same year, KSEI's initiative to accelerate the process of customers' on-boarding through the electronic account opening through the circular letter from OJK No. 6/SEOJK.04/2019 concerning Guidelines for Opening Customer Securities Accounts and

Investor Fund Account Electronically Through Securities Companies Carrying Out Business Activities as Securities Brokers. In the midst of the COVID-19 pandemic, KSEI continued to carry out various innovations to support the growth of the Indonesia Capital Market. In April 2020, KSEI successfully accelerated the implementation of the electronic proxy (e-Proxy) platform of the general meeting of shareholders, named eASY.KSEI. This platform allows shareholders to grant power of attorney electronically to attend the General Meeting of Shareholders. At the end of 2020, KSEI infrastructure can also be used by Securities Crowd Funding organizers. As SRO, KSEI also supports the development of electronic Initial Public Offering (e-IPO) in order to increase the efficiency of initial stock offerings and transaction transparency in the capital market. In 2021, KSEI implemented advanced features in eASY.KSEI, namely e-Voting and live streaming, which allow investors to attend and vote at the general shareholders' meeting electronically. KSEI also collaborates with the Public Housing Savings Management Agency (BP-Tapera) in implementing an Integrated Multi Investment System (S-MULTIVEST) which is used to manage TAPERA funds. KSEI also supports the achievement of targets contained in the 2025 Indonesia Payment System blueprint. This blueprint is a guideline for Bank Indonesia's payment system policy direction to navigate the role of the payment system industry in the digital economic and financial era. On January 31, 2022, KSEI became the only non-bank member of Bank Indonesia Fast Payment (BI-FAST). This shows KSEI's commitment to developing its services to provide added value for service users. Apart from that, the implementation of BI-FAST is expected to support a payment system that is fast, affordable, easy, safe and reliable, especially for retail investor payment transactions which can be accessed at any time. On March 5, 2024, KSEI launched its Centralized Investor Data Management System (CORES.KSEI), which is a centralized Know Your Customer (KYC) Data and Documents storing platform that allows Financial Service Providers and Capital Market Investors to open investor accounts and update investor data more quickly and efficiently. In addition, on May 21, 2024, KSEI has officially launched the first use of S-MULTIVEST by insurance company, PT Asuransi Jiwa

IFG (IFG Life). The cooperation in using S-MULTIVEST can provide many benefits for both financial institutions who act as the asset owner (S-MULTIVEST Users) as well as Regulators. For S-MULTIVEST Users, the system provides more efficient processing, an integrated platform, and easier monitoring and reporting. KSEI is committed to implementing a Quality Management System (QMS) according to ISO 9001:2015, an Information Security Management System (ISMS) according to obtained ISO 27001: 2022 at the end of 2023. an Anti-Bribery Management System (ABMS) according to ISO 37001:2016, and a Business Continuity Management System (BCMS) according to ISO 22301:2019. This aims to guarantee service quality, ensure the security of company information to maintain confidentiality, integrity, and availability of information, create an anti-bribery environment and ensure the continuity of the Company's main business. KSEI implements Good Corporate Governance practices, Enterprise Risk Management framework, and Business Continuity Management as part of efforts to protect Company assets and KSEI services, as well as ensuring the continuity of the company's business by managing risks comprehensively in achieving company goals. In realizing its role as a Financial and Information Hub, KSEI is committed to continuing to innovate in providing added value to the Indonesia Capital Market, with the support of competent human resources and reliable information technology.

VISION AND PLANS OF KSEI

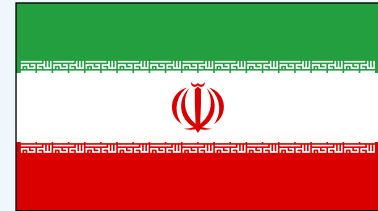
KSEI's vision is to be a reliable and competitive central securities depository whose competence is in line with the growing needs and interests of stakeholders and business environment.

- a. Reliable means to consistently provide providing efficient, orderly, secured, timely, and accurate services;
- b. Competitive means to strive to become the leading service provider by delivering added value;
- c. Competent means to excel and to be expert in the field.

KSEI has established a strategic plan outlined in five tactical steps as follows:

- a. Improvement in Service Quality (Market Deepening);
- b. Improvement in Investors' Confidence and Expansion of Investors' Reach (Investor Protection);
- c. Strengthening KSEI's Reputation (Sustainable Business);
- d. Development of Sustainable Human Resources (Capacity Building); and
- e. Support the Business Plans of OJK and other SROs (Synergy Infrastructure)





CSDI LEGACY; FROM ROOTS TO INDEPENDENCE

Central Securities Depository of Iran (CSDI) is a public joint-stock company serving as the sole registrar, depository and clearinghouse for all financial instruments traded on the Iranian exchanges: Tehran Stock Exchange (TSE), Iran Mercantile Exchange (IME), Iran Energy Exchange (IRENEX) and Iran FaraBourse (IFB). The role ensures secure and efficient handling of pre-trade and post-trade processes for all market participants.

Although established in 2005, CSDI's roots trace back to 1967 with the formation of the Tehran Stock Exchange Brokers Association – the first entity in Iran's capital market.

In 2005, the Islamic Republic of Iran Securities Market Act transformed the market structure and CSDI became an independent entity. As a Self-Regulatory Organization, CSDI operates under the rules and regulations set forth by the Iranian Parliament, the Securities and Exchange High Council (the capital market's macro-policy maker) and the Securities and Exchange Organization of Iran.

CSDI; Engine of Efficiency in Iran Capital Market

CSDI plays a critical role in streamlining crucial processes in Iran capital market. We leverage automation and cutting-edge technology to ensure the safe and efficient transfer of securities ownership and settlement of trillions of Iranian Rials daily.

CSDI also manages a comprehensive suite of services that promote market transparency and efficiency. We run an electronic registry and recording system for securities, enabling automated transfers of ownership. Among CSDI's innovative solutions are the home-grown e-KYC system (CIGS), the Integrated Electronic General Meeting Platform (DIMA) and the Integrated Capital Market Stakeholders Portal (DDN).

We meanwhile mitigate settlement risks within the market thanks to a robust collateral management system that ensures sufficient liquidity, even in the event of an unexpected market event.

A Collaborative Ecosystem; Shared Ownership

The majority of CSDI shares are held by key market participants, including the Securities & Exchange Organization, exchanges, commercial banks, investment

institutions, brokerage firms, and pension funds to ensure alignment with the interests of all.

Global Leader in Collaboration & Innovation

CSDI actively engages with leading international organizations, fostering knowledge sharing and collaboration:

- WFC
- ACG
 - ◆ Executive Committee member (2016-present)
 - ◆ Member to all Task Forces (2012-present)
 - ◆ Vice Chairman (2019)
 - ◆ Represented ACG on WFC Executive Board (2019)
 - ◆ 20th General Meeting host (2016)
 - ◆ 16th Cross Training Seminar host (2014)
- AECSD
- Federation of Euro-Asian Stock Exchanges (FEAS)
 - ◆ Audit Committee member (2023-present)
 - ◆ Leader of “CSD, Pre-Trade, and Post-Trade” Working Group (2024-present)
 - ◆ Executive Board member (2016-2022)
- Organization of Islamic Cooperation Exchanges Forum (OICEF)
- Asia Funds Standardization Forum (AFSF)

We share our knowledge through publications, presentations and panels, shaping industry discourse.



CSDI also built strategic partnerships with over 16 key counterparts from countries such as Japan, Russia, Türkiye, China, India and Oman to facilitate cross-border transactions, market harmonization and exchange of best practices.

Subsidiaries & Associates

CSDI is the parent company to SAMAT Samaneh (99.97%) and holds significant stakes in two associate companies i.e., Capital Market Central Asset Management Company (49%) and Iran Financial Center (20%).

PRODUCTS AND SERVICES

As stipulated by our Article of Association, CSDI fulfills a wide range of critical functions within the Iranian capital market. These functions can be broadly categorized as follows:

1. Account Management & Safekeeping:

- We open and maintain accounts for a wide range of market participants, including individuals and legal entities participating in stock exchanges, over the counter (OTC) markets, and commodity exchanges.
- We securely deposit a diverse range of securities, including stocks, bonds, and derivatives.

2. Registry, Clearing & Settlement:

- CSDI acts as the only central registry, maintaining detailed records of securities ownership. This facilitates efficient clearing and settlement of transactions across various asset classes, including securities listed on exchanges and other financial instruments.
- We provide robust and reliable clearing and settlement services to ensure timely and accurate transfer of ownership and funds.

3. Corporate Actions & Governance Services:

- **Shareholder Registry Management:** Maintaining accurate records of securities ownership for companies and investment funds.
- **Information Dissemination:** Keeping shareholders informed about important events, financial performance and upcoming meetings.



- **General Meeting Facilitation:** Assisting companies in convening and managing shareholder meetings.
- **Dividend Distribution Processing:** Ensuring accurate and timely distribution of dividends to shareholders.
- **Preemptive Right Management:** Facilitating the exercise of preemptive rights by shareholders.

4. Market Data & Reporting:

- CSDI acts as a central repository for market data, including security information, trade details, and investor holdings.
- We prepare and deliver necessary reports for brokers and clients, providing them with timely and accurate information for informed decision-making.

5. Regulatory Framework:

- CSDI plays a crucial role in self-regulatory governance, contributing to the development and implementation of sound regulatory frameworks within the Iranian capital market.
- We work closely with the Securities and Exchange Organization (SEO) to ensure compliance with regulations and promote market integrity.

Market Infrastructure & Services:

- We leverage cutting-edge technology to ensure efficient and secure clearing and settlement processes.
- CSDI offers specialized services to various market participants, including stock exchanges, OTC markets and financial institutions.

- We continuously innovate and adapt to meet the evolving needs of the market.

VISION AND FUTURE PROSPECTS

Moving forward...

Moving ahead...

A moving experience!

Each of those phrases is apropos to something that occurred to our headquarters staff in 2023

After an over a decade run at the office building, we have called “home,” CSDI relocated to a new building that will address the growing concerns we had about our current office.

The new facility, located at Sa’adat Abad District of the capital city - Tehran, features nearly 10,000 square meters of a modern office complex, warehouse space and advanced technology that will allow CSDI to streamline its operations and enhance its customer service capabilities.

Those of us who have worked at Keshavarz Boulevard for so long understand that the move to the new office is critical if we are to continue meeting member needs — and doing so in an environment that supports collaboration across all our departments. The gains in energy efficiency will be significant, and the new physical layout will contribute to staff offering the best possible services to the capital stakeholders.

Another significant milestone that signified the beginning of a new era for CSDI in 2023, was establishing a brand new consistent and cohesive brand identity across all our communication channels to enhance our market position and reputation while improving customer perception.

Our shared future is already taking shape in the digital domain and technology is evolving at ludicrous speed and stands at the forefront of almost everything these days.

Having said that, in the year that passed CSDI reaped the fruits of its IT specialists’ innovations to ensure our vision of digitalization based on both the rule of law and the fundamental freedoms.



This, as the CSDI joined a galaxy of market infrastructure institutions and securities market participants of Eurasia - the prestigious AECSD in the summer.

Our Mission is to strive for offering secure, reliable and efficient pre-trade and post-trade services through developing and upgrading the infrastructural facilities in the Iranian capital market by employing innovative knowledge and state-of-the-art technologies to

We launched:

- Electronic service for financial ability certificates
- Electronic certificates for pre-emption rights entitlements
- System on electronic inheritance succession of Justice Shares

On the international front, we continued to serve the prestigious Federation of Eurasian Stock Exchanges as a member of the Audit Committee thanks to the trust and support of our fellow members.

create stability, increase market efficiency and minimize risks.

Our Vision is to offer services compatible with the highest global standards and accessible worldwide.

We Value accountability, efficiency, transparency, pioneering, ethics compliance, future-oriented strategies, innovation, flexibility, consistency, confidentiality, resilience and sustainable development.





ESTABLISHMENT AND DEVELOPMENT OF KCS D

The first Kazakhstan securities legislation was introduced in 1991. In accordance with the law of Kazakh SSR “On Stock Trading and Stock Exchange”, which contained only 14 Articles, the Ministry of Finance of the Republic controlled securities issue and trading in Kazakhstan. The first issuers of securities appeared in 1991-1993, when primary consolidation of private property rights occurred after adoption of the Program of Denationalization and Privatization, which defined corporatization as a main form of privatization.

In general, 1991-1994 can be reviewed as a “training” period for non-government securities market, by the end of which the state had a clearer idea of what the infrastructure of stock market should be. The President of the Republic of Kazakhstan issued a decree “On Measures Forming the Securities Market” on March 20, 1994, in compliance with which the National Securities Commission of the Republic of Kazakhstan was established.

At the same time, an issue of establishing Central Securities Depository was raised for the first time. Later, on October 3, 1994, “Temporary Regulation on Securities” and “Temporary Regulation on Issue and Trading of

Securities and Stock Exchange” were adopted according to the Government resolution. In accordance with these documents, processes for issuing securities and their trading were further refined, licensing of stock exchanges was introduced, and depository activities were included in the list of professional activities at the securities market. Therefore, 1994 is also a launch point for the government securities market in Kazakhstan. Subsequently, the government securities market of the Ministry of Finance demonstrated amazing dynamics: if volume of sales of government treasury bills with a maturity of 3, 6 and 12 months amounted to KZT 367.2 million in 1994, then in 1995 it already made-up KZT 10.5 billion, increasing 29 times, and reached KZT 30.3 billion in 1996. Furthermore, the National Bank began to issue its bonds – notes in 1995 that received the status of government securities. The notes were a very short instrument with a maturity of one to several weeks and were used exclusively to regulate the amount of redundant cash at the market.

A program for the securities market development was approved by the Government’s resolution on March 28, 1996, which, among other things, stipulated a tender to select model stock exchange from among those existing in the market.

Central Securities Depository CJSC was established in summer of 1997, and became a core of technical infrastructure of the stock market together with Kazakhstan Stock Exchange, which was built according to recommendations of the Group of Thirty – de facto international standard in the field of securities settlements.

In the second half of 1997, there was an active growth in number of broker-dealers, which lasted until 1999. The registrar industry was created from scratch, and the first custodian banks appeared as well. The most important event that took place in 1997 and predetermined development of the Kazakhstan securities market for subsequent years was an adoption of the law “On Retirement Insurance in the Republic of Kazakhstan”. In accordance with the law, defined contribution pension system has been entered into force in the country since 1998.

In 2000, the securities market of Kazakhstan became noticeable as an economy component, which made it possible to solve problems, firstly, non-inflationary coverage of central government budget, and secondly, non-bank financing of a real economy. A list of instruments was expanded. Transactions were consummated in foreign currencies, government securities, non-government issue-grade securities and forward exchange contracts; municipal securities and non-government corporate bonds were offered as well.

The first year of new century marked a clear entry of Kazakhstan economy into phase of steady growth, which lasted until 2007. The average annual GDP growth rate reached 10% during this period.

Throughout the next seven years since 2000, the corporate bond market (both primary and secondary) remained one of the most dynamic segments of Kazakhstan stock market. Although responding to economic situation, changes in monetary policy of the state and external environment in different periods, behavior and preferences of its players had their peculiarities, while the main driving force of such rapid growth was strengthening of investment potential of pension savings funds.

The stock market of equity securities began its active development in 2001-2007. By that time, there were enough preconditions for a qualitative growth of the stock market:

institutional investors, represented by pension funds and banks, had necessary assets, and international investors expressed particular interest. The stock exchange, as a trading platform, had experience in organizing securities offering and conducting settlements of associated transactions. The market infrastructure represented by CSD of Kazakhstan (KCSD), registrars and broker-dealer companies were fully formed.

The year 2009 turned out to be a turning point for the global and Kazakhstan economies. After a two-year period of economic recession and stagflation, main global and Kazakhstan economic indicators reached their minimum extremes in 2009, marking thereby the beginning of recovery cycle.

Period of 2013-2015 has become a time of challenges and transformations for the entire financial market of Kazakhstan. Transition to a new monetary policy, rejection of a fixed exchange rate of national currency, reform of pension system and, as a result, change in investors' structure, external shocks in commodity markets and deterioration of geo-economic situation – all this required flexible adaptation to a new reality, full mobilization of accumulated experience and resources, obtaining new competencies and finding non-standard solutions. The stock market in 2013-2015 developed under positive influence of People's Initial Public offering (IPO)

At the turn of 2015-2016, development of Kazakhstan's financial system faced another crucial moment.

To achieve its main goal – to ensure price stability in the Republic of Kazakhstan – the National Bank decided to pursue a monetary policy in current economic conditions with a focus on interest rate policy under floating exchange rate regime of tenge. Policy of inflation targeting has become a medium-term one.

Bright market trend in 2020-2023 was a steady growth of the retail investor base. This turned out to be possible due to active work of new securities market regulator – Agency of the Republic of Kazakhstan for Regulation and Development of Financial Market (ARDFM). Amendments to the relevant legislation, continued and initiated by ARDFM, stimulated interest of the country's population in investing in the stock market, including through new attractive instruments at the stock exchange.

CURRENT PRODUCTS AND SERVICES OF KCSD

KCSD is the only organization in territory of the Republic of Kazakhstan³ that maintains a system of security holders registers and depository activities.

KCSD operates as a single center for recording rights to securities in Kazakhstan's securities market, conducts settlements of all stock exchange and over-the-counter transactions, and provides local participants with access to international securities settlement systems.

KCSD is an authorized depository of the National Bank, Ministry of Finance and local executive bodies of the Republic of Kazakhstan. It has been providing services to its clients for more than 25 years, which include depository, registrar and information services, as well as bank account maintenance and paying agent services.

As part of its depository activities, KCSD conducts transactions with financial instruments owned by other persons, in accordance with the powers and instructions of owners of financial instruments or their authorized representatives. KCSD makes settlements in financial instruments for transactions consummated at regulated and OTC securities markets with participation of KCSD clients, and also keeps records of financial instruments

listed on participants' personal accounts. At the same time, KCSD registers transactions and/or operations with financial instruments in the recordkeeping system for nominee holding and confirms the rights to financial instruments of participants and their clients.

In addition to depository services, KCSD provides banking services, namely, it opens and maintains bank accounts of professional market participants, one account is opened for professional participant's own funds, the second one – for the funds of its clients. Together with bank account services, KCSD opens and maintains correspondent accounts of banks and organizations engaged in certain types of banking operations. Moreover, KCSD performs transfer operations on behalf of clients (money transfer), makes settlements of transactions with financial instruments and payments of interests and/or dividends as part of the paying agent function.

As part of registrar services, KCSD maintains a system of registers for security holders and/or partnership participants, containing information about issuers and/or partnerships, securities and/or shares in authorized capital of a partnership and their holders, as well as transactions in securities and/or shares in authorized capital

of a partnership. Additionally, KCSD provides the issuer and/or partnership with information from registers system based on its request and registers transactions and/or operations in securities and/or shares in authorized capital related to transfer of rights from one person/entity to another.

KCSD offers a platform for issuer and recordkeeping organizations to interact with professional



³ Except for territory of the Astana International Financial Centre (AIFC).

securities market participants when registering transactions and events with financial instruments registered in KCSD's recordkeeping system. When providing corporate action services, KCSD notifies trading authority and participants about corporate actions and registration of global operations in financial instruments, as well as pays dividends, coupon interests and principal amount of bonds upon their redemption.

KCSD'S VISION AND FUTURE PLANS

Recent years have been full of challenges and opportunities that have changed the financial landscape and strengthened our organization. KCSD, for its part, contributed actively to ensuring stability and transparency of financial markets.

In accordance with the Financial Sector Development Concept of the Republic of Kazakhstan approved in 2022, KCSD implements a transformation strategy from local to regional infrastructure organization. The measures taken expand our capabilities significantly and contribute to development of Kazakhstan and regional securities markets.

Currently, KCSD has established business relations with two global securities depositories – Euroclear and Clearstream, as well as with international custodian BNY Mellon, which allows our clients to conduct securities transactions around the world.

We work actively on development of our regional depository network: at the moment, depository links have been established with Russian, Belarusian, Armenian and Kyrgyz securities depositories.

In view of the current economic situation and global trends, we continue successful development of our infrastructure and services aimed at increasing their efficiency and accessibility for our clients.

In conditions of ongoing geopolitical conflicts, international sanctions, deglobalization and fragmentation of financial markets, further development of KCSD as a regional depository hub will be implemented by improving a speed transactions' registration of and quality of service, accelerating introduction of new products and services, expanding the current services provided, increasing a number of bilateral depository and correspondent relations with other foreign and international depositories and custodians as well as promoting KCSD as a regional leader in international capital markets.

We will continue to work on implementation of our strategic priorities, such as introducing technological innovations, improving customer service, developing the securities market and implementing the best practices in corporate governance and sustainable development. Being one of the key infrastructure organizations in the financial market, KCSD makes efforts to promote development of financial market of Kazakhstan and the region as a whole.





BACKGROUND OF CAPITAL MARKETS IN KYRGYZSTAN AND THE ESTABLISHMENT AND DEVELOPMENT OF CJSC “CENTRAL SECURITIES DEPOSITORY”

From the moment of Kyrgyzstan’s transition from a state-planned economy to market relations, when the phase of mass privatization and denationalization began, the history of the establishment of the stock market and its infrastructure in Kyrgyzstan begins. It is precisely from this period, when joint stock companies began to appear, and together with them, as a result of coupon auctions, the first shareholders appeared. The necessity arose for accounting and settlement organizations, keeping registers of shareholders, providing delivery of securities to organized trades. These institutions were, first of all, designed to protect the property rights of securities owners and reduce risks in the course of securities purchase and sale transactions.

At the same time, the main accounting and settlement institution of the stock market was the Central Securities Depository, as it centralizes huge financial and information

resources. Initially, the business idea of establishing a CSD in Kyrgyzstan was based on the recommendations of the Group of 30. In accordance with these recommendations, on the initiative of professional participants of the Kyrgyz stock market, with active assistance of the National Commission for Securities Market under the President of the Kyrgyz Republic, as well as with technical support of USAID, the Closed Joint Stock Company ‘Central Depository’ was established on 10 October 1997 on the basis of the decision of the founding meeting of 10 October 1997.

28.03.1997 Regulations on the Central Depository approved by the Resolution of the National Commission on Securities Market under the President of the Kyrgyz Republic were adopted.

In the period from 1997 to 2003 the legal situation was generally beneficial for the development of ‘Central Securities Depository’ (CJSC) and strengthening of its role as the CSD of the Kyrgyz stock market.

However, since 2003, when the Regulation on the Central Securities Depository was recognized as invalid as a result of the inventory of NPAs, the activities of the CJSC CSD turned out to be not regulated at the legislative level.

In this regard, the Decree of the President of the Kyrgyz Republic dated 15 November 2022 UP N° 376 'On measures for the further development of the stock market and exchange activities' orders the Cabinet of Ministers of the Kyrgyz Republic to complete the process of the state's entry into the capital of CJSC 'Central Securities Depository', as well as to develop a draft law providing for amendments to the Law of the Kyrgyz Republic 'On the Stock Market' in terms of the functioning of a modern and internationally oriented Central Securities Depository in the financial market of the Kyrgyz Republic.

To implement this Decree of the President of the Kyrgyz Republic, the Cabinet of Ministers of the Kyrgyz Republic approved the Action Plan N 80-r dated 28 February 2023, where the above objectives have already started to be implemented.

CURRENT PRODUCTS AND SERVICES OF CENTRAL SECURITIES DEPOSITORY

Today, CJSC CSD provides services to its clients on depositing securities and registering rights to securities, transfer of rights to securities by opening and maintaining a depo account of a depositor and conducting operations on this account on the basis of the depositor's instructions.

At the same time, it carries out depository activities for corporate securities, including shares, bonds, units, promissory notes, international financial instruments (GDRs), American Depositary Receipts (ADRs), as well as for some types of government securities.

Also, CJSC CSD is a guarantor of Kyrgyz Stock Exchange. Due to changes in the settlement system adopted by the licensed trade organizer, which provides for trading in securities with 100% deposit of funds on the principle of 'delivery versus payment', a new algorithm of settlements with corporate securities was developed and implemented.

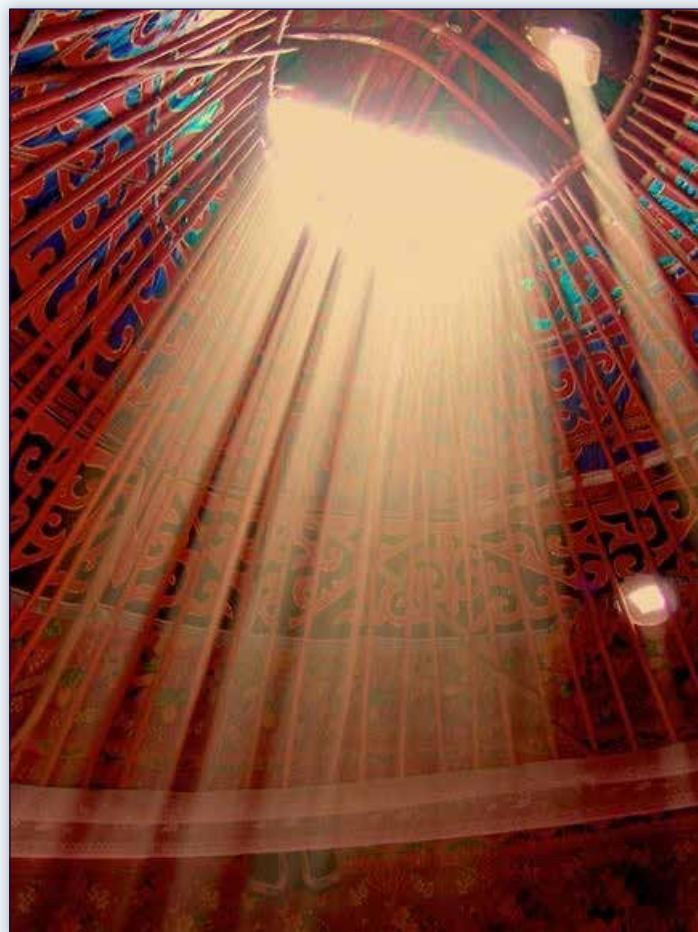
As at the date of today, according to the order of the Cabinet of Ministers of the Kyrgyz Republic dated 24 January 2024 N° 17 p, the depository accounting of government securities, placement and circulation of which is carried out on the trading platform of the licensed trade

organizer - CJSC 'Kyrgyz Stock Exchange' is carried out by the licensed depository - closed joint-stock company 'Central Depository'.

Assistance in corporate actions, as well as assistance in realization of security rights of depositors and their clients is an integral part of the range of services provided by the CJSC CSD.

In addition, CSD maintains accounts of legal entities and individuals, both residents and non-residents. Among the clients of CSD are large enterprises and professional participants of the stock market, as well as foreign financial and investment institutions.

A foreign correspondent depository may open a nominal holding account with CSD on general grounds. Any securities serviced by CJSC CSD may be registered on the account of a non-resident depository.





CJSC CSD has correspondent relations with the Central Securities Depository of Russia (NSD), Jordan Securities Commission (JSC) Central Securities Depository (Kazakhstan) and the Republic of Belarus (Republican Central Securities Depository RUE), Tavira (Dubai).

The technological package of CJSC CSD is an automated system for conducting depository and clearing operations, which ensures fulfilment of all operations stipulated by the current legal acts regulating depository and settlement and clearing activities, and includes all the necessary functionality of depository activities, including accounting and movement of securities, as well as settlements and transfer of ownership rights to them.

THE VISION AND PLANS OF CJSC CENTRAL SECURITIES DEPOSITORY IN RELATION TO THE KEY HIGHLIGHTS OF RECENT YEARS

Our vision and plans are focused on one goal: functioning of a modern and internationally oriented Central Securities Depository in the stock exchange market of the Kyrgyz Republic. We see ourselves as a key player

in this market, ensuring high standards of reliability, efficiency and transparency.

Giving considerable importa CSD Central Securities Depository, the role and demand for its services in the domestic stock market is growing every year, the Decree of the President of the Kyrgyz Republic dated 15 November 2022 UP № 376 'On measures for further development of the stock market and exchange activities' CJSC CSD is classified as one of the backbone national institutions implementing socially significant economic projects.

In accordance with the Decree and in order to strengthen the stock market, strengthen the role of the state in the area of security ownership protection, development of modern infrastructure, the capital structure of CJSC CSD was changed, the state represented by the Ministry of Finance of the Kyrgyz Republic became a shareholder of CJSC CSD with a 50% stake.

Presently, CJSC 'Central Depository' consistently maintains its position as one of the industry leaders and despite the serious challenges of recent years, has successfully implemented a number of key projects that have expanded the functionality of the depository and

its customer base, managed to prove its importance by becoming a reliable guarantor for the participants of exchange trades and an important element of the infrastructure of the stock market of Kyrgyzstan.

In addition, for the first time in history, from January 2020, according to the order of the Cabinet of Ministers of the Kyrgyz Republic, depository accounting of government securities, placement and circulation of which is carried out on the trading floor of the licensed trade organizer - CJSC 'Kyrgyz Stock Exchange', became implemented by a licensed depository - CJSC 'CD'.

The total amount of financial instruments in nominee holding as of 1 January 2024 was 38,368.0 million KGS, the CJSC's capitalization has increased more than twice, profitability, stability and customer base indicators have increased significantly.

At the same time, it should be emphasized that today we are still building the Central Securities Depository in the form that would comply with the international guidelines for financial market infrastructure, while almost all independent countries have already gone through a similar path.

Consequently, the main strategic objective of CJSC 'CSD' for the coming period is to complete the process of creation of a central securities depository in Kyrgyzstan, as well as to design the mechanism and fundamentals of CJSC 'CSD' functioning in new circumstances. In the short-term period the company is to be recapitalized, it has set tasks to expand its functionality, correspondent network, digitalization of business processes.





HISTORY AND DEVELOPMENT OF CAPITAL MARKETS IN MONGOLIA

Mongolia, a country with vast mineral resources and a rapidly growing economy, has seen significant developments in its capital markets over the past few decades. The Mongolian Stock Exchange (MSE) and the CSD play pivotal roles in the functioning and growth of these markets.

Early Development and Establishment

The formal establishment of capital markets in Mongolia began in the early 1990s, following the country's transition from a centrally planned economy to a market-based system. MSE was established in 1991, making it one of the first stock exchanges in post-socialist Asia. The creation of the MSE was part of a broader economic reform program aimed at privatizing state-owned enterprises and promoting private sector development.

Initially, the MSE faced numerous challenges, including limited market activity, low liquidity, and a lack of investor confidence. These challenges were compounded by the broader economic difficulties facing Mongolia during its transition period. However, the MSE gradually gained

traction as more companies sought to raise capital through public listings and as investor confidence grew.

Regulatory Framework

The regulatory framework governing Mongolia's capital markets has evolved to ensure market integrity, transparency, and investor protection. The primary regulatory body overseeing the capital markets is the Financial Regulatory Commission (FRC), established in 2006. The FRC is responsible for regulating and supervising the securities market, ensuring compliance with rules and regulations, and protecting investor interests.

Key aspects of the regulatory framework include:

1. **Securities Law:** Enacted in 2002 and subsequently amended, the Securities Law provides the legal foundation for the regulation of the securities market in Mongolia. It outlines the rules for the issuance and trading of securities, the responsibilities of market participants, and the powers of the FRC.

2. **Listing Rules:** The MSE has implemented listing rules that require companies to meet specific financial, legal, and governance criteria before being admitted to trading. These rules are designed to ensure that listed companies

maintain high standards of transparency and corporate governance.

3. **Disclosure Requirements:** The regulatory framework mandates comprehensive disclosure requirements for listed companies, including periodic financial reporting, material event disclosures, and corporate governance reports. These requirements aim to provide investors with timely and accurate information to make informed investment decisions.

4. **Corporate Governance:** The FRC has issued corporate governance guidelines to promote best practices among listed companies. These guidelines cover various aspects of corporate governance, including board composition, shareholder rights, and risk management.

Market Growth and Development

The growth of Mongolia's capital markets has been driven by various initiatives aimed at enhancing market efficiency, liquidity, and investor confidence. Key developments include:

1. **Technological Advancements:** The MSE has invested in technological advancements to improve market operations. The implementation of electronic trading systems has significantly enhanced the efficiency, speed, and transparency of trading activities.

2. **Product Diversification:** The MSE has expanded its product offerings to include a range of financial instruments, such as equities and bonds. This

diversification aims to attract a broader investor base and provide more investment options.

Because of country's mining products concentration, Mongolian Stock Exchange has expanded, encompassing iron exchanges, while introducing copper and other commodities products exchange in 2024 as a product diversification.

3. **Initial Public Offerings (IPOs):** The MSE has seen several successful IPOs, which have contributed to increased market activity and investor interest. These IPOs have included both state-owned enterprises and private companies.

The approval of the "Mongolian Stock Exchange" JSC for inclusion in the "Frontier Market" by Financial Times Stock Exchange (FTSE) Russell was a noteworthy international recognition for the Mongolian capital market. Concurrently, the domestic capital market capitalization soared to 11 trillion MNT, representing 20.8 percent of Mongolia's gross domestic product.

4. **Foreign Investment:** Mongolia has implemented policies to attract foreign investment, including allowing foreign ownership of listed companies and easing restrictions on foreign ownership of securities. These measures have helped to increase foreign participation in the market.

In connection with the dual-listing application received from the Toronto Stock Exchange listed company dated on 12 March 2018, MSE listed its up to 4,000,000 shares worth

1.2 million Canadian dollar in the Tier 3 on 4 April, 2018.

5. **Market Reforms:** Ongoing market reforms have focused on enhancing market integrity, investor protection, and corporate governance standards. These reforms include updated listing rules, improved disclosure requirements, and measures to promote greater transparency and accountability.





Additionally, amendments of the Banking Law, the five systemic banks which are Khan Bank, Trade Development Bank, Khas Bank, State Bank, and Golomt Bank became public stock companies. This strategic move facilitated the successful public offering of shares, resulting in a substantial capital infusion of 302.5 billion MNT. Furthermore, the Mongolian Stock Exchange witnessed successful trading of domestic companies' shares, asset-backed securities, and debt instruments, totaling over 140 billion MNT on the primary market.

CSD and Services

CSD of Mongolia plays a pivotal role in the functioning of the capital markets by providing essential post-trade services. Established to ensure the efficient settlement and safekeeping of securities, the CSD contributes to the overall stability and integrity of the market.

CSD SERVICES

1. **Securities Settlement:** The CSD facilitates the settlement of securities transactions executed on the MSE. Settlement typically occurs on a T+1 basis (one business days after the trade date), ensuring the timely and efficient transfer of ownership of securities.

2. **Custody Services:** The CSD provides custody services, which involve the safekeeping of securities on behalf of investors. This includes maintaining accurate records of securities ownership, handling corporate actions such as dividend payments and stock splits, and ensuring the integrity of securities holdings. Additionally, 3 major commercial banks are acting as a local custodian bank as a member of CSD.

3. **Clearing service involvement:** The CSD solely responsible for the settlement which act as the settlement operator of a wide range of products of financial institutions while maintaining automated clearing procedures with Mongolian securities clearing center, which involves the netting of buy and sell transactions to determine the final settlement obligations of market participants. The Mongolian securities clearing center implements risk management measures to mitigate counterparty risk and ensure the stability of the settlement process.

4. **Registration Services:** The CSD maintains a central registry of securities ownership, ensuring that ownership records are accurate and up-to-date. This includes handling the issuance and transfer of securities which 100 percent dematerialized electronic form, as well as maintaining records of pledged securities. The CSD also co-operating with The computer share agent and other foreign financial institutions to underlying shares of dual listing and depository receipt as a sole registrar agent in Mongolia.

5. **Corporate Actions Processing:** The CSD manages the processing of corporate actions, such as dividend distributions, rights issues, and mergers and acquisitions. This ensures that investors receive their entitlements in a timely and accurate manner.

6. **Securities Lending and Borrowing:** To enhance market liquidity and facilitate short-selling, the CSD pursuing to initiate securities lending and borrowing services. This will allow investors to lend their securities to other market participants in exchange for a fee, providing additional income opportunities.

RECENT DEVELOPMENTS AND FUTURE PROSPECTS

In recent years, Mongolia's capital markets have witnessed several positive developments aimed at enhancing market depth and attracting more investors. Key developments include:

1. **Introduction of New Financial Instruments:** The MSE has introduced a variety of new financial instruments,

such as government and corporate bonds, to provide investors with more trading and hedging options. This diversification aims to attract a broader investor base and enhance market liquidity.

2. **Green Bonds and Sustainability Initiatives:** Mongolia has shown a commitment to sustainability by encouraging the issuance of green bonds and other sustainable financial instruments. These initiatives are part of broader efforts to align the capital markets with ESG standards.

3. **Enhanced Regulatory Framework:** The FRC continues to strengthen the regulatory framework, focusing on areas such as AML and combating the financing of terrorism (CFT). These efforts aim to ensure that Mongolia's capital markets remain secure, transparent, and attractive to both local and international investors.

4. **Digital Transformation:** The MSE and CSD are investing in digital transformation initiatives to enhance market operations and improve investor experience. This includes the development of mobile applications, online trading platforms, and digital services that provide real-time market information and facilitate seamless trading activities.

5. **Regional Integration:** Mongolia is actively working towards greater regional integration of its capital markets. The MSE has established partnerships and collaborations with other regional exchanges, aiming to promote cross-border listings and trading activities. These efforts are expected to enhance market liquidity and attract a broader investor base.

Future Prospects

The future of Mongolia's capital markets looks promising, with ongoing efforts to enhance market

infrastructure, attract foreign investment, and promote financial innovation. Key areas of focus include:

1. **Enhancing Market Liquidity:** Increasing market liquidity is essential for attracting more listings and investors. This can be achieved through measures such as promoting financial literacy, encouraging institutional investor participation, and introducing new financial instruments.

2. **Improving the Regulatory Environment:** Continued efforts to strengthen the regulatory framework and align it with international best practices are crucial. This includes enhancing corporate governance standards, improving disclosure requirements, and ensuring effective market oversight.

3. **Technological Upgrades:** Investing in advanced trading and settlement systems will enhance market efficiency and accessibility. Digital platforms can provide investors with real-time market information and facilitate online trading, thereby increasing market participation.

4. **Encouraging Public Listings:** Incentives for companies to go public, such as tax benefits and simplified listing procedures, can help increase the number of listed companies. Public awareness campaigns highlighting the benefits of public listings can also play a role in attracting more companies to the market.

5. **Attracting Foreign Investment:** Efforts to attract foreign investment are vital for the growth of the capital market. This can be achieved through policies that create a favorable investment climate, such as ensuring political stability, protecting investor rights, and providing a transparent regulatory framework.



ESTABLISHMENT AND DEVELOPMENT OF NSD

NSD is a Russian non-bank credit institution, the central depository of Russia, a professional participant in the securities market, part of the Moscow Exchange Group. NSD offers its clients a wide range of services, including depository, settlement and cash services, registration of over-the-counter transactions, information services, collateral management services and technology services.

NSD is the largest settlement depository in Russia, the Commonwealth of Independent States CIS and Eastern Europe and has accounts for various purposes in a number of major foreign and Russian organizations. NSD is a member and the Secretariat of the Association of Eurasian Central Securities Depositories, which unites 15 depositories from 14 countries of the Eurasian region. NSD has concluded more than 25 memoranda of understanding with partners around the world and continues to develop international cooperation as one of the key areas of activity in order to improve the efficiency of interaction in the capital markets and create new opportunities for participants.

The company began its history in 1996, when the Non-bank Credit Organization Closed Joint Stock Company

“Clearing House of the Moscow Interbank Currency Exchange” (CJSC RP MICEX) was established - a credit organization specializing in providing settlement banking services, including cash settlements on transactions of financial market participants. The company’s activities were primarily aimed at providing settlement services to the exchange markets of the MICEX Group (today the Moscow Exchange Group). In 1997, the National Depository Center appeared, which was created as the main depository for servicing the government securities market. In the same year, In the same year National Depository Center began working with corporate, sub-federal and municipal securities. Having achieved a leading position in the market of debt instruments of Russian issuers, Russian issuers, National Depository Center began to rapidly increase the volume of transactions with shares, investment units and Eurobonds, becoming the largest in terms of assets in custody and the only settlement depository in Russia servicing all types of Russian securities.

In 2010 CJSC RP MICEX was joined by National Depository Center and changed its name to NSD.

Since 2011, the infrastructure of the Russian financial market has transformed and developed through the

introduction of new regulation and technologies. NSD was actively involved in key stages of improving the infrastructure of the Russian financial market:

2011 – The merger of the RTS and MICEX exchange groups, including settlement depositories of the two exchanges, as a result, the emergence of an integrated financial market infrastructure.

2012 – NSD was granted the status of a Central Depository; recognition of the concept of a foreign nominee holder.

2013 - NSD provides access for international and foreign central depositories to the Russian financial market. Share of foreign investments in the Russian government debt raises above 30%.

2013 – The emergence of a Central counterparty for exchange trading; transition to exchange settlements in T+2 mode; NSD begins performing the functions of a trade repository and launches a collateral management system for trilateral REPO transactions.

2014 – NSD receives the status of a Payment System operator.

2015-2017 – Reform of corporate actions in the Russian market; NSD becomes a center of corporate information and a valuation center.

Another important step for the development of the financial market was the introduction of changes to the country's tax legislation, which allowed Russian depositories to be tax agents for foreign nominee holders.

When interacting with all counterparties, NSD has implemented the use of modern electronic communication channels and the exchange of messages based on generally accepted international formats, which made it possible to process messages in straight through processing (STP) mode without manual intervention, which in turn guaranteed a high degree of settlement efficiency with low operational risks.

Subsequent changes were aimed at the introduction of the most advanced standards in the field of corporate actions, post-trading services, as well as the development of new promising business areas.

Thus, an efficient and reliable financial market

infrastructure has been built meeting international standards and investor demands and provides simplified access to local and foreign markets.

Today, NSD sees its key role in providing high-tech solutions for financial institutions and their clients that will work to increase the well-being of every resident of the country.

We understand our responsibility as a financial institution with the unique status of the central depository of the Russian Federation, therefore operational reliability, continuity, cyber security, as well as equidistance from all market participants help to work in the interests of everyone and are our constant priorities.

NSD today is more than a central depository. We are creating new depository, repository and settlement services that help our clients, professional securities market participants, achieve their most ambitious goals.

NSD, through technological solutions, contributes to the digitalization of the industry, so our focus is on innovation and digital products and services. It is through innovation that you can grow faster technologically, studying and piloting promising solutions for the development of your own infrastructure. NSD's competence as a central depository, as well as understanding the needs of customers and markets, have already helped to implement important projects not only for professional securities market participants, but also for individuals.

SERVICES OF NSD

Depository services:

- Services for issuers: As the central depository, NSD provides centralized storage of certificates of bond issues and centralized accounting of rights to bond issues of Russian and foreign issuers placed on Russian exchanges and the OTC market. NSD provides issuers with depository services related to the placement of bonds, registers commercial bonds, provides services to the counting commission during meetings of bondholders, and by virtue of the law, represents the interests of bondholders in bankruptcy cases of bond issuers in the absence of a representative of the bondholders.



- Registration of commercial bonds: NSD as the central securities depository registers issues of commercial bonds. Registration of such bonds is carried out without a prospectus, and placement can only be carried out by closed subscription.

- Corporate Actions (CAs): NSD provides the E-voting service, which is a convenient tool for online voting at annual and extraordinary general meetings of shareholders. It allows the owner of securities to vote remotely in a single interface at shareholder meetings of different issuers.

Repository:

NSD registers OTC repo transactions and transactions with derivative financial instruments. NSD is a participant in the financial Marketplace project in the role of a Registrar of financial transactions, which provides aggregation and storage of all information on completed transactions on financial platforms.

Collateral management system:

NSD, as an equidistant infrastructure, operates an automatic collateral management system and provides post-trade services for transactions concluded by market participants among themselves, in accordance with the legislation of the Russian Federation.

Information services:

The Information Center is a key direction in the development of information services:

- calculation of fair value and other price parameters within the NSD Valuation Center, adaptation of services to market requirements;
- NSD's traditional provision of reference information on securities and issuers (Reference Data);
- analytical products on the ownership structure of various assets, providing financial parameters and coefficients;
- expansion of the product line of information services for different user audiences.

In 2023, new analytical products were improved technologically and qualitatively and launched, a new information distribution channel was added—the Moscow Exchange information and trading terminal - Trade Radar.

Technology services:

NSD is actively developing transactional products based on high-tech service solutions and providing a traditionally high level of reliability and security. NSD offers to clients advanced solutions that optimize the internal processes of companies and reduce operational risks, facilitating financial management and increasing the level of control over them.

One of the key products is NSD Multibank, a modern solution based on an open application programming interface (API) that enables end-to-end integration with any with any enterprise resource planning (ERP) and supports all types of cryptography for working with client EDS. A corporate client can perform all types of daily operations in a single information space, increasing the efficiency of the payment process, making it safe and technologically advanced.

NSD VISION AND FUTURE PLANS

NSD's key task is to maintain the stability of the Russian financial infrastructure, ensure smooth operation and fulfill our obligations as a central depository to customers, regulators and financial market participants. Therefore, we continue to pay special attention to operational reliability, cyber security and respect the principle of equidistance from all market participants.

We will also focus our efforts on the needs of our customers to help them achieve high business results. NSD will continue its development not only as a central depository, but also as a company capable of creating new in-demand solutions and products in a competitive environment.





GENERAL INFORMATION ON KOREA CAPITAL MARKETS

The origins of Korea's capital markets can be traced back to the early 1950s, following the end of the Korean War. The Korea Stock Exchange (KSE), later merged into the Korea Exchange (KRX), was established in 1956 to provide a structured platform for trading securities and to facilitate the capital formation necessary for economic recovery and growth.

The initial years were challenging, with limited market activity, low liquidity, and a small number of listed companies. However, the Korean government recognized the importance of a robust capital market for economic development and initiated several reforms to promote its growth.

As the government's policies to develop the capital market and encourage companies to go public bore fruit, there was an upsurge in the number of listed companies and shares traded in the market. The sharp growth of the securities market necessitated the development of an efficient facility for the deposit and settlement of securities.

In 1973, the KSE was designated to settle securities transactions provisionally until the formation of a specialized organization for the purpose, and it began providing settlement services for stock transactions. Later, on December 6, 1974, the Korea Securities Settlement Corporation (KSSC) began operations, marking the formal beginning of the deposit and settlement system in Korea.

As the securities industry became increasingly globalized in the 1990s, it became apparent that the Korean securities market needed an infrastructure that would enable it to compete in the global financial arena. Against this backdrop, regulatory amendments provided the legal foundation for KSSC to be transformed into Korea Securities Depository (KSD), the sole central securities depository in Korea. On April 25, 1994, KSD was established as a special organization with shareholders including the Korea Stock Exchange, the Korea Securities Dealers Association, Korea Securities Finance Corporation, securities companies, banks, insurance companies, and investment trusts. This diversified ownership structure contributed to the reliability of KSD and solidified its public nature.

The scope of KSD's businesses was defined in the securities law and cross-border security custody and book-

entry services became available to investors. Furthermore, KSD became the legal institution to designate deposit-eligible securities, resulting in the enhancement of its roles and functions as the central security depository.

Going through these phases of development, KSD solidified its legal status and established itself as the core infrastructure of the Korean capital market, while reducing social costs and improving the efficiency and stability of the Korea securities market infrastructure by playing the role of the centralized securities administration organization.

In 2019, KSD moved into a new era of electronic securities, laying the foundations for a digital revolution in the capital market. With the implementation of the Electronic Securities System in September 16, 2019, all listed stocks and bonds were required to be issued and transferred electronically, eliminating paper certificates and effecting the dematerialization of the securities market in Korea. The electronic securities system improved the stability and transparency of the capital market, while expanding KSD role as an electronic registry and providing the groundwork for its future growth and development.

KSD PRODUCTION AND SERVICES

KSD is the central securities depository of Korea and plays a pivotal role in the functioning of the capital markets. It ensures the efficient settlement and safekeeping of securities, thereby contributing to the overall stability and integrity of the market. Over the years, KSD has expanded its services to be a provider of comprehensive securities services.

Electronic Registration: KSD implemented the electronic securities system in 2019, eliminating paper-based certificates. As the electronic registry, KSD manages the account books for the issuance and distribution of securities.

Clearing and Settlement: KSD provides clearing and settlement for securities transactions. It is the CCP for institutional settlement of stocks, and provides settlement services for KRX, KONEX, K-OTC, OTC bond, and institutional transactions. KSD also implements risk management measures to mitigate counterparty risk and ensure the stability of the settlement process.

Corporate Actions Processing: KSD manages the

processing of corporate actions, such as dividend distributions, rights issues, and mergers and acquisitions. This ensures that investors receive their entitlements in a timely and accurate manner.

FundNet: KSD operates FundNet to support the asset management industry, connecting all fund asset management market participants on a single platform. It processes fund-related post-trade operations, enabling seamless processing throughout the entire life cycle of fund transactions.

Securities Financing Services: To enhance market offers securities lending and borrowing (SLB) intermediary services intermediary services. This allows investors to lend their securities to other market participants in exchange for a fee, providing additional income opportunities. KSD also offers triparty repo services.

Securities Information Management: KSD collects and manages securities information obtained from issuers with regard to issuance, corporate actions, and irregular securities. It also operates an information platform SEIbro offering comprehensive securities information to the general public by leveraging the data held by KSD.

Global Securities Services: KSD provides a wide range of global securities services in both primary and secondary markets. KSD provides deposit and settlement services for offshore securities, custody services for underlying shares of depository receipts (DRs), and depository services for Korea depository receipts (KDRs).

Risk-free Rate Calculation and Publication Calculation and Publication: KSD is in charge of the calculation and publication of Korea Overnight Financing Repo Rate (KOFR), Korea's risk-free reference rate. KOFR is calculated using data from overnight repo transactions secured with Korea treasury bonds and monetary stabilization bonds.

LEI Issuance: As the local operating unit (LOU) of Korea, KSD issues and manages legal entity identifiers (LEIs) for corporate entities and funds via the LEI-K portal.

E-Voting: KSD's K-Vote empower voters to exercise their voting rights online without attending general meetings in person, strengthening shareholder rights.

Collateral Management for OTC Derivatives Transactions: As a fair third party, KSD manages the collateral for secured transactions executed under individual contracts between trading parties in the nonregulated market.

Securities Agent Service: KSD began providing securities agent service in 1975 for the first time in Korea. As a securities agent, KSD provides transfer agent, issuing agent and paying agent services.

VISION AND FUTURE PLANS OF KSD

For nearly 50 years, KSD has contributed to the development of Korea's capital market by providing a financial infrastructure to facilitate the safe custody and efficient settlement of securities. KSD is now seeking ways to take a new leap forward and again take to heart our mission to support the changing needs of the financial market.

Firstly, we will build a next-generation system. The critical functions of the capital market are underpinned by post-trade IT infrastructure. Since 2011, our current system has catered to the varied needs of our clients. Nevertheless, the time for change has arrived due to the deepening intricacies of our businesses and the rapid change of industry trends and technologies. Our next-generation system is designed to boost digital transformation by modernizing operational processes and infrastructure.

Secondly, we will drive the efficiency of efficiency of general shareholder meetings (AGMs) by serving as an AGM management institution. AGM experiences will be elevated with our efforts to reduce costs of issuers and empower investors to better exercise their rights. We will tap into our years of expertise in e-voting to unlock new

business models and lay the groundwork for providing one-stop AGM services.

Thirdly, we will streamline our electronic registration system to further satisfy market demands. We will expand our service scope and vamp up functions to embrace beneficiary certificates of new assets types in our issuance & registration system. We will also ensure investor protection and service innovation by preparing for the new role of managing the issuance of security tokens.

Fourthly, we will make continued efforts to advance our settlement, securities financing, and global services. We will enhance our clearing and settlement infrastructure in the run-up to the launch of a digital exchange and an alternative trading venue, as well as the global trend towards accelerated settlement cycles. Moreover, we will support government policies to promote foreign investments in KTBs and MSBs by operating ICSD-linked omnibus accounts.

Fifthly, we will redefine ourselves as a company built to last for the next 50 years and beyond. In recognition of our 50th anniversary, we will build on our legacy of the past and brace for the future with a new vision and strategies. We will reshape our business functions and formulate new initiatives with an aim to secure growth that can stand the test of time in the next half a century.

For many years, our surroundings have been never short of uncertainties. In the face of challenges, KSD will spare no efforts to harness its collective wisdom and power and make headway through the next 50 years.





HISTORY

OJSC “Central Asian Stock Exchange” (CASE) is the financial institution operating in the Republic of Tajikistan.

CASE was established in April 2015 as a unique platform for organized securities trading.

In April 2017, CASE started its operational activities.

CASE is a member of the International Association of Exchanges (IAB), an observer in the FEAS.

SERVICES

CSD of Tajikistan (CJSC) - is the only functioning depository having a complete infrastructure and providing depository services on the securities market of the Republic of Tajikistan.

Accounting for all securities conducted on the CASE trading floor is performed on the platform of CJSC “Central Depository”, which meets the best international standards and practices.

CJSC is a member of ANNA, which enables it to issue ISIN numbers for local securities market. It enables recognition of local securities in an international capital markets.

CJSC as well has a correspondent deposit account with the NSD of Russian Federation.

RECENT DEVELOPMENTS VISION AND FUTURE PROSPECTS

CJSC, the only specialized financial institution for accounting and safekeeping of securities in the Republic of Tajikistan, received state registration and started its activities in September 2015.

On October 08, 2015, the Ministry of Finance of the Republic of Tajikistan issued to the CJSC a license of a professional participant of the securities market to carry out depository activities.

The activity of CJSC is carried out in accordance with the Law of the Republic of Tajikistan “On Securities Market” and the Procedure of the Central Securities Depository activity, approved by the Resolution of the Government of the Republic of Tajikistan No.372 dated 23.08.2016.

Since April 2017 CSD (Tajikistan) has been carrying out operational activities and today it is the only settlement and numbering institution providing depository and

clearing services in the local securities market and having software from international vendors.

Today CJSC serves the market of both corporate and government securities as an agent for their accounting/safekeeping, as well as an authorized depository for assigning ISIN codes to government securities.

Today CSD (Tajikistan) is a steadily growing financial institution. Expansion of client base, growing demands of financial markets, as well as modern challenges and directions of development became the driver for introduction of innovative software for more efficient and timely administration, accounting and clearing of the transactions made in 2024.

Given the growing needs of the securities market of the Republic of Tajikistan and to optimize the processes of settlement and clearing of transactions made in the organized securities market, the shareholders of the CSD continue to discuss the issue of obtaining a license from the National Bank for non-banking financial operations.

Obtaining the status of a non-banking financial organization CSD will enable the Central Securities Depository to independently carry out settlements on funds received from transactions, increase efficiency and promptness of rendering its services to the clients by the depository.





HISTORY AND DEVELOPMENT OF THE CAPITAL MARKET IN UZBEKISTAN

The first stage (1991-1993) was marked by the beginning of the transition to market relations and the creation of the legal framework of the stock market. During this period, the Stock Department of the Republican Commodity and Stock Exchange “Toshkent” started functioning, which became the first official institution of the securities market. This stage is also characterized by the beginning of formal state regulation of the market. Besides, at this stage the certification of professional market participants was introduced and the first law “On Securities and Stock Exchange” dated September 2, 1993 was adopted.

The second stage (1994-1996) was marked by the rapid development of the stock market and the beginning of large-scale privatization. At this stage in 1994 by the Decree of the Cabinet of Ministers of the Republic of Uzbekistan “On measures to ensure the effectiveness of the RSE “Toshkent” (July 8, 1994 № 285), laid the foundation for the creation of the first accounting institution in the securities market - the depository JSC “National Depository “VAQT”. For the first time created an accounting system on the stock

market was designed to ensure the accounting of capital owners with predetermined rights (property and related non-property rights) and corresponding obligations towards the user of this capital (issuer).

In March 1996, state short-term bonds were issued. In the same year with the adoption of the Law of the Republic Uzbekistan “On Joint Stock Companies and Protection of Shareholders’ Rights” and the Regulation “On JSC Shareholders’ Register” No. 274 dated August 16, 1996, the mandatory norm of keeping JSC shareholders’ register was introduced.

The third stage (1997-2000) is characterized by the expansion of the government short-term bonds market and the creation of a special infrastructure, including investment institutions and an organized over-the-counter market.

This period of the accounting system development is connected with the Law of the Republic of Uzbekistan “On the activity of depositories in the securities market” and the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan “On issues of organization and activity of the Central Securities Depository” (No. 263 dated May 21, 1999), which initiated the creation of a 2-tier depository

system consisting of the Central Securities Depository (at the first level) and depositories of the second level, directly servicing clients.

2000 - transition to the electronic exchange of information between the Central Securities Depository and RSE "Toshkent", "Davincom", "Elsis-Clearing" and "Elsis-Savdo" on exchange and over-the-counter trading

The fourth stage (2001-2007) was marked by the development of new segments, such as certificates of deposit, corporate bonds and government medium-term treasury bills. During this period, the secondary market of corporate securities developed dynamically, the competition of underwriters increased, and new mechanisms for trading in shares of privatized enterprises were introduced.

2001 - opening of the official website of the Central Securities Depository in the Internet: www.deponet.uz;

2002 - A memorandum of Understanding was signed between the Central Securities Depository of the Republic of Uzbekistan and the Central Securities Depository of the Republic of Korea;

2005 - implementation of the Unified Depositors' Base of the Republic of Uzbekistan.

The fifth stage (2008-2018) was marked by unification of the norms of the existing laws into a single law in accordance with the Decree of the President of the Republic of Uzbekistan dated 27.09.2006 N° PP-475 "On measures for further development of the securities market", according to which on the basis of four laws, previously regulating the securities market of the Republic, a single Law of the Republic of Uzbekistan "On the securities market" was developed and came into force. An important event was the establishment of the Central Registrar and activation of rating agencies. Restrictions on combining depository and consulting activities of investment institutions were also abolished.

2008 - ANNA confirmed the authority of the Non-Commercial Partnership "National Depository Center" as a substitute numbering agency for the Republic of Uzbekistan;

2009 - the beginning of interaction with the substitute numbering agency for the CIS countries - NSD (Russia) on assigning international codes to securities issued by issuers of the Republic of Uzbekistan;

2010 - the State Committee for Property Management of the Republic of Uzbekistan and the Stock Exchange of the Republic of Korea signed a Memorandum of Understanding, which envisioned cooperation on mutual study, including research of the current situation of the securities markets of both countries;

2011 - the ceremony of signing the General Agreement on modernization of the securities market of the Republic of Uzbekistan between the State Committee for Property Management and the Korea Stock Exchange took place;

2013 - regular working meetings were held with specialists of the Korean Stock Exchange on the issue of preparing the final version of business requirements for the development of a program complex of the stock market of the Republic;

2014 - the beginning of interaction with the substitute numbering agency for CIS countries - "National Settlement Depository" (Russia) on assigning international codes to securities issued by issuers of the Republic of Uzbekistan;

2016 - at the annual meeting of the ANNA, which was held in Yerevan (Armenia), a decision was made to accept the Central Securities Depository of the Republic of Uzbekistan as a Partner of ANNA. Also, a Partnership Agreement was signed between the Central Securities Depository of the Republic of Uzbekistan and ANNA;

The Unified Program and Technical Complex of the Stock Market of the Republic of Uzbekistan was put into pilot operation;

2017 - introduction of new services for joint stock companies, such as: assessment of corporate governance system of JSC and annual corporate support of JSC.

The sixth stage (2018-2022) was a turning point for Uzbekistan's stock market. In 2019, the Agency for Capital Market Development was established, which was authorized to regulate the stock market, including the activities of the Central Depository. The Decree of the President of the Republic of Uzbekistan No. UP-6207 dated 13.04.2021 "On measures for further development of the capital market" transferred the regulation of the

capital market to the Ministry of Finance of the Republic of Uzbekistan and approved the Capital Market Development Program for 2021-2023. This program included tasks to increase market capitalization, improve accessibility for investors, create conditions for active financing and develop the necessary legislative framework.

2018 - organization of the XV International Conference of AECSD in Tashkent;

2019 - full membership in ANNA. Receipt of the international code LEI;

2020 - launch of a new online electronic voting service - eVOTE;

2021 - new function - maintenance of securities accounts for foreign nominee holders. Right to pay dividends;

Developed and implemented a new automated information system "Unified Depositor Base" (AIS "UDB") integrated with external systems, including state databases;

Online identification of persons and KYC systems were introduced

Remote opening of securities accounts for clients of the Central Securities Depository is launched;

2022 - the project on the independent assignment of international codes was fully realized. In particular, the Central Securities Depository received the status of National Numbering Agency from the ANNA) established a link with the ANNA Service Bureau, the Central Securities Depository started independent assignment of ISIN, CFI and FISN international codes to securities of issuers of Uzbekistan.

In continuation of the correspondent relationship work:

- message formats were developed in accordance with ISO 15022 and ISO 20022 standards;

- BIC code (SNCUUZ22), necessary for full use of SWIFT network, was obtained;

- test exchange of SWIFT messages with banks and foreign central depositories.

Amendments and additions were made to the Law of the Republic of Uzbekistan "On Securities Market" and the right to make settlements in cash based on the results of transactions with securities at organized trades was obtained.

In 2023, a new stage in the development of capital market of Uzbekistan began with the adoption of the Decree of the President of the Republic of Uzbekistan dated 02.09.2023 No. PP-291 "On additional measures to develop the capital

market". The Resolution is aimed at improving the market infrastructure, attracting investors and protecting their rights.

In accordance with this Decree continued work on the introduction of the function of making settlements in cash, in particular:

- The Central Bank of the Republic of Uzbekistan introduced amendments and additions to the regulatory legal acts defining the status of the Central Depository as a participant of the payment system of the Central Bank;

- correspondent account was opened in the Central Bank of the Republic of Uzbekistan for the Central Securities Depository.

2024 - software for cash settlements and income payments on securities was introduced.

On 1 July, the Central Securities Depository implemented accounting of government securities.

MAIN FUNCTIONS AND SERVICES OF THE CENTRAL SECURITIES DEPOSITORY

In accordance with the Law of the Republic of Uzbekistan "On Securities Market" the exclusive functions of the Central Securities Depository are:

registration of securities;

storage of documentary securities;

storage of documents confirming the issue of securities;

keeping registers of securities owners;

accounting of the state's rights to securities, as well as rights to securities of persons authorized by the state to manage securities;

maintenance of securities accounts of investment intermediaries and foreign nominee holders;

making settlements in securities and settlements in cash based on the results of securities transactions at organized securities trading in accordance with the established procedure;

accounting of securities admitted to circulation in the territory of the Republic of Uzbekistan, issued by non-residents of the Republic of Uzbekistan;

accounting of securities admitted to circulation outside the territory of the Republic of Uzbekistan, issued by residents of the Republic of Uzbekistan;

accounting of rights to securities issued and owned by investment funds, unless otherwise provided for by the legislation;

maintenance of the Unified base of depositors;

assigning international codes to equity securities issued by residents of the Republic of Uzbekistan;

collection and systematization of information on the movement of equity securities on securities accounts.

At the same time, the Central Securities Depository shall have the right to:

to open accounts for foreign nominee holders to record rights to securities issued by residents of the Republic of Uzbekistan and traded outside the territory of the Republic of Uzbekistan;

to receive, under the agreement with the issuer, funds intended for payment of income (dividends) and redemption of securities value, as well as to make corresponding payments.

KEY STRATEGIC GOALS, OBJECTIVES AND TARGETS FOR 2024-2028

- accounting of government securities;
- introduction of the function of payment of income (dividends and interest) on securities and settlements in cash;
- creation and implementation of unified depository software;
- opening of foreign nominal accounts in the Central Securities Depository for international and foreign CSDs, including Clearstream clients;
- development and implementation of an information system for collateral management;
- implementation of a comprehensive risk management system;
- implementation of asset management information system services;
- creation of the Central Securities Depository's Data Processing Center (DPC);
- obtaining an international rating (Thomas Murray).





ABOUT NATIONAL SECURITIES DEPOSITORY LIMITED (NSDL)¹

The 1990s was a decade of significant change and transformation in India. This period witnessed economic liberalisation, political developments, technological advancements, and cultural shifts. This decade also marked a crucial phase in the evolution of India's financial markets, which laid the foundation for the significant growth of the Indian Capital Market since then. As we have witnessed creation of massive infrastructures like port, dams, hydel power etc., NSDL equally contributed to building a massive electronic infrastructure, which today holds securities value worth more than \$ 5 Trillion.

- NSDL was one of the initial few depositories globally to directly implement dematerialisation, bypassing the traditional two-step process of immobilisation and subsequent dematerialisation.
- As the first and leading depository in the country, NSDL introduced the concept of dematerialisation of securities, revolutionising the securities landscape in India.
- NSDL introduced the concept of opening depository accounts in the name of beneficial owners so that the

Beneficial owner is entitled to benefits viz., corporate benefits both non-cash and cash in his/her demat and bank account respectively.

- NSDL introduced and implemented the core function immediately after its formation, which are as follows
 - Dematerialisation of Securities
 - Maintain Allotment & Transfer of Ownership Record using electronic book entries.
 - Account Opening and Management for updating KYC, nomination facility & demographics details.
 - Settlement of market and off-market transfers through clearing corporations
 - Corporate Actions such as bonus, payment of interest on government bonds/ SGBs
 - Pledge of securities enabling clients to avail themselves of loan or credit facilities.

NSDL - PRODUCTS AND SERVICES

e-SERVICES

- SPEED-e: Submission of Delivery Instructions.
- IDeAS for Clients & CMs: Viewing of instructions and holding.
- NSDL SPEED-e App: To view balances, download eCAS, Client Master Report, etc.
- SPICE for eDIS & POA: Client mandate to Brokers to debit client account with respect to trading obligation.

¹ <https://nsdl.co.in/about/index.php>, 15 Sept. 2024

- SteADY: Electronic Contract Notes for institutional clients.

- CMS: Collateral Management System - Secured and efficient way of managing collaterals.

Value Added Services

- DPM Plus: Facility to opt-in/Opt-out for Nomination/ Updating KYC attributes.

- DMS: Delivery Instruction Management System.

- STP Navigator: Auto uploads the Instruction file.

- Auto Download: Download of feeds from NSDL Depository System.

- eSigner: E-signing of instruction.

DIGITAL INTEGRATIONS

- Digital LAS: A secure and convenient way for investors to pledge securities held in their demat account.

- Demat Account Validation: A service to validate authenticity of demat accounts.

- MF Redemption: A service to redeem mutual funds electronically.

- IDEAS Integration: Integration with NSDL eServices for accessing IDEAS facility.

- eDIS and Margin Pledge: Facility for clients to submit mandate to their brokers to debit securities to the extent of trade obligation. Also, a service to facilitate the electronic delivery of securities and the pledging of securities for margin trading.

- Open Architecture System: Open architecture system facilitates brokers to collaborate with bank-based Depository Participants (DPs) to offer trading facility to investors having demat accounts with the DP.

ISSUER SERVICE OFFERINGS

Core Offerings

- Issuer Companies: Joining and facilitating corporate action.

- e-AGM: A secure and convenient way for shareholders to participate in General Meetings of Companies.

- e-Voting: Electronic voting for shareholders to vote on resolutions proposed by companies.

- Online Platform for Issuances and Services:

- CP Issuance Platform: Online platform to handle commercial paper issuance process.

- Issuer Portal: A portal for issuers to provide various services offered by NSDL, including ISIN allocation and corporate actions.

- Security and Covenant Monitoring using DLT: A block-chain based solution for monitoring security and covenant compliance of listed bonds and debentures.

- System Driven Disclosure: A system for disclosure of information pertaining to transactions and holdings of promoters, promoter groups, directors and designated persons to stock exchanges for making continual disclosures under SEBI regulations and SEBI PIT Regulations.

- FILM: A central system viz., FPI Monitor (www.fpi.nsdl.co.in) has been developed by NSDL for registration of Foreign Portfolio Investor.

- Corporate Bond Database: A centralized database for comprehensive information on corporate bonds in India.

Value Added Products

- Tax Services: A service to help investors with their tax obligations.

- Reference Data Products: A service to provide market participants with securities master information.

- e-notice: A service to send electronic notices to shareholders on behalf of companies.

- Bank Account Update: A service to update bank account details for investors in demat accounts.

- Email ID Update: A service to update email id details for demat accounts.

ABOUT CENTRAL DEPOSITORY SERVICES LIMITED (CDSL)²

CDSL was found in 1999 to fulfil one goal: Convenient, Dependable and secured depository services. Over two decades later, everything we have done – the values we have built on, dematerialisation of various asset classes, e-services – have all been in support of that singular goal, at an affordable cost. We are a Market Infrastructure Institution and a crucial part of the Capital market structure, providing services to all Market participants - Exchanges, Clearing Corporations, DPs, Issuers and Investors. A Depository is a facilitator for holding of securities in the dematerialised form and an enabler for securities transactions.

CDSL SERVICES:

easi: Internet-based access for monitoring CDSL demat accounts.

easiest: Secure online facility for executing demat transactions.

SMART: SMS alerts for account activities.

e-Voting & M-Voting: Internet and mobile-based voting systems for shareholders.

Myeasi Mobile App: Provides access to CDSL services via mobile devices.

e-Locker: Secure document storage facility.

² <https://www.cdslindia.com/About/overview.html>



**AECSD
AMEDA**

**İSTANBUL
SUMMIT**

2024

AMEDA MEMBERS



AMEDA

Africa & Middle East Depositories Association

ABOUT AMEDA



AMEDA was founded on April 27, 2005, and held its inaugural meeting in New York before the CSD 8th conference. This non-profit organization is made up of Central Securities Depositories and Clearing Houses in Africa and the Middle East. The primary objective of AMEDA is to provide a platform for its members to exchange information and experiences, while also supporting the development of local markets through mutual cooperation. Additionally, AMEDA aims to promote best practices in services such as depository, clearing, settlement, efficiency, risk management, corporate governance, and other related areas on a global scale.

With a focus on enhancing the efficiency and effectiveness of financial markets, AMEDA plays a crucial role in promoting economic growth and stability in the regions it serves. By fostering collaboration and knowledge-sharing among its members, AMEDA is able

to facilitate the adoption of best practices and promote innovation in the financial sector.

As a non-profit organization, AMEDA is committed to serving the needs of its members and the broader financial community. Through its various initiatives and programs, AMEDA is dedicated to promoting transparency, accountability, and good governance in the financial sector.

Overall, AMEDA is a vital organization that plays a critical role in promoting the development and growth of financial markets in Africa and the Middle East. With its focus on collaboration, innovation, and best practices, AMEDA is well-positioned to drive positive change and support the continued growth and success of the financial sector in these regions.

AMEDA Members



	Abu Dhabi		Morocco
	Algeria		Nigeria
	Bahrain		Oman
	Botswana		Palestine
	Côte d'Ivoire		Qatar
	Dubai		Rwanda
	Egypt		Saudi Arabia
	Ghana		South Africa
	Iraq		Sudan
	Jordan		Syria
	Kenya		Tanzania
	Kuwait		Tunisia
	Lebanon		Türkiye*
	Libya		Zambia
	Mauritius		Zimbabwe

* Türkiye is featured at the beginning of this publication since MKK is a full member of both AECSD and AMEDA.



HISTORY AND DEVELOPMENT OF CAPITAL MARKETS IN ABU DHABI

The capital markets in Abu Dhabi have undergone significant transformation since inception, reflecting the emirate's broader economic development and diversification strategies. The journey began in the late 1990s, in line with the United Arab Emirates' (UAE) vision to establish a robust financial infrastructure that supports economic growth and diversification away from oil dependency.

Early Development and Establishment

The formal development of capital markets in Abu Dhabi can be traced back to the establishment of the Abu Dhabi Securities Exchange (ADX) in November 2000. ADX was created with the primary objective of supporting the economic development of the UAE by providing a regulated and efficient marketplace for trading securities, ensuring investor protection, and promoting the liquidity of listed securities.

Prior to the formation of ADX, there was a growing need for a formalized and regulated securities market. This need was driven by the increasing economic activity in the UAE, the desire to attract foreign investment, and the need to provide local investors with a platform to invest in publicly listed companies. ADX addressed these needs by offering a structured environment where securities could be traded in a transparent and orderly manner.

Regulatory Framework and Market Growth

The growth and development of ADX have been underpinned by a robust regulatory framework established by the UAE's Securities and Commodities Authority (SCA). The SCA, established in 2000, plays a crucial role in regulating and supervising the UAE's capital markets,

ensuring transparency, fairness, and investor protection. ADX operates under the regulatory oversight of the SCA, which enforces regulations related to listing, trading, disclosure, and corporate governance.

Over the years, ADX has introduced various initiatives to enhance market efficiency and investor confidence. These include the introduction of new listing regulations, the adoption of international accounting and auditing standards, and the implementation of advanced trading systems. ADX has also focused on expanding its product offerings to include equities, bonds, exchange-traded funds (ETFs), and derivatives.

Technological Advancements and Innovation

ADX has been at the forefront of adopting technological advancements to enhance market operations and improve investor experience. In 2016, ADX implemented the X-Stream Trading Platform, one of the most advanced trading systems in the world, developed by NASDAQ. This platform provides high-speed trading capabilities, increased capacity, and enhanced risk management features.

In addition to trading system upgrades, ADX has also embraced digital transformation initiatives. The exchange has launched various digital services, including online trading platforms, mobile applications, mobile investor onboarding and e-IPO services for digital IPO applications. In 2024 and 2025, ADX will further enhance its digital offerings for investors and market participants with updated front and back end digital applications. These initiatives aim to provide investors with seamless access to market information and trading services, thereby enhancing market participation and liquidity.

Integration with Global Markets

As part of its strategy to integrate with global markets and attract foreign investment, ADX has established various partnerships and collaborations with international exchanges and financial institutions. This is evidenced in 2018 as ADX signed a memorandum of understanding with the London Stock Exchange (LSE) to explore opportunities for collaboration, including cross-listing and dual listing

of securities. Another key partnership was witnessed in 2023 where ADX has appointed BNY Mellon, the world's largest custodian bank, to support dual listings on ADX by international companies.

Globally, ADX has also led the establishment of the Tabadul regional network that connects regional and global exchanges into a single trading platform. This enables investors from the participating markets to access foreign market securities seamlessly via the Tabadul network, enhancing future growth of foreign investments.

Additionally, ADX focusses on enhancing its market infrastructure to meet international standards. In 2019, ADX became a member of the World Federation of Exchanges (WFE), a global industry association that represents market operators and exchanges. This membership underscores ADX's commitment to adopting best practices and promoting market integrity.

CSD AND SERVICES

CSD in Abu Dhabi is an integral part of the capital market infrastructure, providing essential post-trade services to market participants. ADX operates its own CSD, which plays a critical role in ensuring the efficient settlement and safekeeping of securities.

CSD Services

1. **Securities Settlement:** The CSD facilitates the settlement of securities transactions executed on ADX, applying Bank for International Settlements (BIS) DVP model transfer of ownership of securities from the seller to the buyer, typically on a T+2 basis (two business days after the trade date). The CSD ensures that the settlement process is carried out efficiently and in accordance with international standards.

2. **Custody Services:** The CSD provides custody services, which involve the safekeeping of securities on behalf of investors. This includes maintaining accurate records of securities ownership, handling corporate actions such as dividend payments and stock splits, and ensuring the integrity of securities holdings.

3. **Clearing and Risk Management:** The CSD is responsible for the clearing of trades, which involves the netting of buy and sell transactions to determine the final

settlement obligations of market participants. The CSD also implements risk management measures to mitigate counterparty risk and ensure the stability of the settlement process.

4. **Registration Services:** The CSD maintains a central registry of securities ownership, ensuring that ownership records are accurate and up-to-date. This includes handling the issuance and transfer of securities certificates, as well as maintaining records of pledged securities.

5. **CA Processing:** The CSD manages the processing of corporate actions, such as dividend distributions, rights issues, and mergers and acquisitions. This ensures that investors receive their entitlements in a timely and accurate manner.

6. **Securities Lending and Borrowing:** To enhance market liquidity and facilitate short-selling, the CSD offers securities lending and borrowing services. This allows investors to lend their securities to other market participants in exchange for a fee, providing additional income opportunities.

FUTURE PROSPECTS AND CHALLENGES

The future of Abu Dhabi's capital markets looks promising, with ongoing efforts to enhance market infrastructure, attract foreign investment, and promote financial innovation. ADX is committed to expanding its product offerings, including the introduction of new financial instruments such as sukuk (Islamic bonds) and green bonds.

One of the key challenges facing ADX is the need to increase market liquidity and attract a broader investor base. This involves not only attracting more local and foreign investors but also encouraging more companies to list on the exchange. ADX is actively working on initiatives to address these challenges, including investor education programs, market awareness campaigns, improving access to foreign investors, expanding connection with global market participants and incentives for companies to go public.



HISTORY AND DEVELOPMENT OF CAPITAL MARKETS IN BAHRAIN

Bahrain, an archipelago in the Arabian Gulf, has established itself as a significant financial hub in the Middle East. The development of capital markets in Bahrain reflects the country's proactive efforts to diversify its economy, reduce dependency on oil revenues, and position itself as a regional financial center. Bahrain Bourse (BHB) and Bahrain Clear, the country's CSD, are central to these efforts.

Early Development and Establishment

The origins of Bahrain's capital markets date back to the early 1980s. Recognizing the need for a structured financial market to support economic growth and diversification, Bahrain Bourse (formerly named Bahrain Stock Exchange) was established in 1987. Bahrain Bourse provided a formalized platform for the trading of securities, including shares and fixed income, and aimed to attract both local and foreign investments.

Regulatory Framework

The regulatory framework governing Bahrain's capital markets has evolved significantly since the establishment

of the exchange. In the early years, Bahrain Bourse operated under the supervision of the Central Bank of Bahrain (CBB), formerly Bahrain Monetary Agency (BMA), which was responsible for regulating the financial sector, including the capital markets. The CBB played a crucial role in shaping the regulatory environment, promoting market integrity, and ensuring investor protection.

In 2006, CBB, took over the regulatory responsibilities for the financial sector. The CBB has implemented a comprehensive regulatory framework that aligns with international standards and best practices. This framework includes stringent disclosure requirements, robust corporate governance standards, and measures to prevent market abuse and insider trading.

Market Growth and Development

The growth of Bahrain's capital markets has been driven by various initiatives aimed at enhancing market efficiency, transparency, and investor confidence. In 2010, the Bahrain Stock Exchange was rebranded as the BHB, reflecting a broader strategy to modernize the market and align it with global standards. The BHB introduced several key initiatives, including:

1. **Technological Advancements:** The BHB has invested in advanced trading systems and digital platforms to enhance market operations. The implementation of the X-Stream trading platform, developed by Nasdaq, has significantly improved the efficiency and transparency of trading activities. The platform provides high-speed trading capabilities, increased capacity, and enhanced risk management features.

2. **Product Diversification:** The BHB has expanded its product offerings to include a wide range of financial instruments, such as equities, bonds, sukuk (Islamic bonds), mutual funds, treasury bills, and real estate investment trusts (REITs). This diversification aims to attract a broader investor base and provide more investment options.

3. **Market Reforms:** The BHB has introduced various market reforms to enhance market integrity and investor protection. These reforms include updated listing rules, improved corporate governance standards, and measures to promote greater transparency and disclosure.

4. **Foreign Investment:** Bahrain has implemented policies to attract foreign investment, including allowing 100% foreign ownership of listed companies. These measures have helped to increase foreign participation in the market.

CSD AND SERVICES

CSD in Bahrain, known in Bahrain, known as Bahrain Clear, was established in 2017 as a fully-owned subsidiary of Bahrain Bourse. Bahrain Clear plays a vital role in the functioning of the capital markets by providing essential post-trade services that ensure the efficient settlement and safekeeping of securities.

Services

1. **Securities Settlement:** Bahrain Clear facilitates the settlement of securities transactions executed on BHB. Settlement typically occurs on a T+2 basis (two business days after the trade date), ensuring the timely and efficient transfer of ownership of securities.

2. **Custody Services:** Bahrain Clear provides custody services, which involve the safekeeping of securities on behalf of investors. This includes maintaining accurate records of securities ownership, handling corporate actions such as dividend payments and stock splits, and ensuring the integrity of securities holdings.

3. **Clearing and Risk Management:** Bahrain Clear is responsible for the clearing of trades, which involves the netting of buy and sell transactions to determine the final settlement obligations of market participants. The CSD also implements risk management measures to mitigate counterparty risk and ensure the stability of the settlement process.

4. **Registration Services:** Bahrain Clear maintains a central registry of securities ownership, ensuring that ownership records are accurate and up-to-date. This includes handling the issuance and transfer of securities certificates, as well as maintaining records of pledged securities.

5. **Corporate Actions Processing:** Bahrain Clear manages the processing of corporate actions, such as dividend distributions, rights issues, and mergers and acquisitions. This ensures that investors receive their entitlements in a timely and accurate manner.

6. **Securities Lending and Borrowing:** To enhance market liquidity and facilitate short-selling, Bahrain Clear offers securities lending and borrowing services. This allows investors



to lend their securities to other market participants in exchange for a fee, providing additional income opportunities.

RECENT DEVELOPMENTS AND FUTURE PROSPECTS

In recent years, Bahrain's capital markets have witnessed several positive developments aimed at enhancing market depth and attracting more investors. Key developments include:

1. Introduction of REITs: In 2020, BHB introduced introduced REITs, providing, providing investors with access to the real estate market through publicly traded securities. This move aims to diversify the investment options available to investors and enhance market liquidity.

3. Enhanced Regulatory Framework: The CBB continues to strengthen the regulatory framework, focusing on areas such as anti-money as AML and CFT. These efforts aim to ensure that Bahrain's capital markets remain secure, transparent, and attractive to both local and international investors.

4. Digital Transformation: BHB and Bahrain Clear are investing in digital transformation initiatives to enhance market operations and improve investor experience. This

includes the development of mobile applications, online trading platforms, and digital services that provide real-time market information and facilitate seamless trading activities.

5. Regional Integration: Bahrain is actively working towards greater regional integration of its capital markets. BHB has established partnerships and collaborations with other regional exchanges, aiming to promote cross-border listings and trading activities. These efforts are expected to enhance market liquidity and attract a broader investor base.

Future Prospects

The future of Bahrain's capital markets looks promising, with ongoing efforts to enhance market infrastructure, attract foreign investment, and promote financial innovation. Key areas of focus include:

1. Enhancing Market Liquidity: Increasing market liquidity is essential for attracting more listings and investors. This can be achieved through measures such as promoting financial literacy, encouraging institutional investor participation, and introducing new financial instruments.

2. Improving the Regulatory Environment: Continued efforts to strengthen the regulatory framework and align it



with international best practices are crucial. This includes enhancing corporate governance standards, improving disclosure requirements, and ensuring effective market oversight.

3. Technological Upgrades: Investing in advanced trading and settlement systems will enhance market efficiency and accessibility. Digital platforms can provide investors with real-time market information and facilitate online trading, thereby increasing market participation.

4. Encouraging Public Listings: Incentives for companies

to go public, such as simplified listing procedures, can help increase the number of listed companies. Public awareness campaigns highlighting the benefits of public listings can also play a role in attracting more companies to the market.

5. Attracting Foreign Investment: Efforts to attract foreign investment are vital for the growth of the capital market. This can be achieved through policies that create a favorable investment climate, such as ensuring political stability, protecting investor rights, and providing a transparent regulatory framework.





HISTORY AND DEVELOPMENT OF CAPITAL MARKETS

Botswana, a landlocked country in Southern Africa, is known for its stable economy and prudent management of natural resources, particularly diamonds. The development of capital markets in Botswana has been a key element in the country's strategy to diversify its economy and reduce reliance on mineral revenues. The Botswana Stock Exchange (BSE) and the Central Securities Depository Botswana (CSD Botswana) are central to this development.

Early Development and Establishment

The origin of the BSE dates back to 1989 when it was known as the Botswana Share Market (BSM), an informal market operating without a formal stock exchange. At its inception, the BSM had only five listed entities and a single broking firm, Stockbrokers Botswana Ltd, which also facilitated trading on the exchange. The transformation of BSM into a formal exchange began in September 1994 when legislation was passed by Parliament, leading to the establishment of the BSE, which commenced trading in November 1995. By March 1998, Ernst and Young took over full administration of the BSE. In July 2001, the appointment of a full-time Chief Executive Officer aimed

at making the BSE fully independent. In April 2003, Ernst and Young's secretarial role was discontinued, rendering the BSE a fully independent entity.

The government of Botswana played crucial roles in developing the capital markets and the BSE, funding critical infrastructure like the Automated Trading System (ATS) and the Depository System (CSD). In December 2014, the Botswana Parliament passed the BSE Botswana Stock Exchange (Transition) Act No.2 of 2015, which facilitated the BSE's registration as a public company limited by shares and its continued existence as if incorporated under the Companies Act. This Act enabled the demutualization of the BSE, converting Proprietary Rights and government subventions into share capital and establishing an employee share option scheme. The Transition Act also provided guidance on determining the ownership structure of the BSE.

Regulatory Framework

The regulatory framework governing the BSE has evolved to ensure market integrity, transparency, and investor protection. The BSE operates under a regulatory framework that includes several laws and statutory bodies, such as the Companies Act, the Securities Act under Non-Bank Financial Institutions Regulatory Authority (NBFIRA)

and National Payments System Act under the Central Bank of Botswana.

The regulatory framework focuses on maintaining high standards of corporate governance, enforcing stringent disclosure requirements, and promoting fair trading practices. This framework aligns with international best practices, ensuring that Botswana's capital markets are attractive to both local and foreign investors.

Market Growth and Development

The growth of Botswana's capital markets has been driven by various initiatives aimed at enhancing market efficiency, liquidity, and investor confidence. Key developments include:

1. Listing of diverse major Companies: The BSE has successfully attracted a diverse range of listings from major companies, both domestic and international. This variety includes significant players in the banking, telecommunications, and retail and property sectors. These listings have contributed to increased market activity and enhanced investor interest, solidifying the BSE's position in Botswana's capital markets.

2. Government Bond Market: The development of a robust government bond market has been a significant milestone for the BSE. Currently, efforts are underway to enhance the settlement of bonds through a project known as Single CSD. This initiative involves collaboration between the Ministry of Finance, the BSE, CSD, and the NBFIRA to streamline and improve the bond settlement process, aiming to create a more efficient and integrated market infrastructure.

3. Provision of a variety of Financial Instruments: Currently, the BSE can list a diverse range of financial instruments, including equities, bonds, commercial paper, asset-backed securities, special acquisition companies, exchange-traded funds, investment funds, and depository receipts. This diversification aims to attract a broader and diversified investor base and provide more investment options.

4. Market Reforms: The BSE has implemented various market reforms to enhance market integrity and investor protection. These reforms include updated listing rules, improved corporate governance standards, and measures to promote greater transparency and disclosure.

5. Foreign Investment: Botswana has implemented policies to attract foreign investment, including allowing foreign ownership of listed companies and offering tax incentives. These measures have helped to increase foreign participation in the market.

Technological Advancements

Technological advancements have played a crucial role in the development of Botswana's capital markets. The implementation of electronic trading systems has significantly enhanced the efficiency and transparency of market operations. In 2012, the BSE launched its ATS, which replaced the manual trading system.

Notably, the introduction of the new CSD system in 2008 represents a significant upgrade. This system aims to streamline and modernize the clearing and settlement processes. Moreover, the CSD is working towards Retail Investor Module which will allow investors online access to CSD system. Investors will have access to their investor accounts to view and retrieve reports, be able to participate in Annual General Meetings, exercise their Securities Borrowing and Lending requests and other corporate actions as announced by the issuers. The CSD plays a vital role in ensuring the efficient settlement and safekeeping of securities, thereby contributing to the overall stability and integrity of the capital markets.

CSD SERVICES

1. Securities Settlement: CSD Botswana facilitates the settlement of securities transactions executed on the BSE. Settlement typically occurs on a T+3 basis (three business days after the trade date), ensuring the timely and efficient transfer of ownership of securities.

2. Custody Services: CSD Botswana provides custody services, which involve the safekeeping of securities on behalf of investors. This includes maintaining accurate records of securities ownership, handling corporate actions such as dividend payments and stock splits, and ensuring the integrity of securities holdings.

3. Clearing and Risk Management: CSD Botswana is responsible for the clearing of trades, which involves the netting of buy and sell transactions to determine the final settlement obligations of market participants. The CSD also implements risk management measures to mitigate counterparty risk and ensure the stability of the settlement process.

4. Registration Services: CSD Botswana maintains a central registry of securities ownership, ensuring that ownership records are accurate and up-to-date. This includes handling the issuance and transfer of securities certificates, as well as maintaining records of pledged securities.

5. Corporate Actions Processing: CSD Botswana manages the processing of corporate actions, such as dividend distributions, rights issues, and mergers and acquisitions. This ensures that investors receive their entitlements in a timely and accurate manner.

6. Securities Lending and Borrowing: To enhance market liquidity and facilitate short-selling, CSD Botswana is in the process of implementing the securities lending and borrowing services. This allows investors to lend their securities to other market participants and enhance portfolio returns.

RECENT DEVELOPMENTS AND FUTURE PROSPECTS

In recent years, Botswana's capital markets have witnessed several positive developments aimed at enhancing market depth and attracting more investors. Key developments include:

1. Green Bonds and Sustainability Initiatives: Botswana has shown a commitment to sustainability by encouraging the issuance of green bonds and other sustainable financial instruments. These initiatives are part of broader efforts to align the capital markets with global ESG standards.

2. Enhanced Regulatory Framework: NBFIRA continues to strengthen the regulatory framework, focusing on areas such as AML and CFT. These efforts aim to ensure that Botswana's capital markets remain secure, transparent, and attractive to both local and international investors.

3. Digital Transformation: The BSE and CSD Botswana are investing in digital transformation initiatives to enhance market operations and improve investor experience. This includes the development of mobile applications, online trading platforms, and digital services that provide real-time market information and facilitate seamless trading activities.

4. Regional Integration: Botswana is actively working towards greater regional integration of its capital markets. BSE is an Affiliate of WFE and a Partner Exchange of the United Nations-backed Sustainable Stock Exchanges (SSE) initiative. Additionally, the BSE is a member of the African Securities Exchanges Association (ASEA), and Committee of SADC Stock Exchanges. The BSE is also part of the Association of ANNA and is recognized by the UK's Her Majesty's Revenue and Customs as a stock exchange. Furthermore, the CSDB is a member of the AMEDA and the WFC.

Future Prospects

The future of Botswana's capital markets looks promising, with ongoing efforts to enhance market infrastructure, attract foreign investment, and promote financial innovation. Key areas of focus include:

1. Enhancing Market Liquidity: Increasing market liquidity is essential for attracting more listings and investors. This can be achieved through measures such as promoting financial literacy, encouraging institutional investor participation, and introducing new financial instruments.

2. Improving the Regulatory Environment: Continued efforts to strengthen the regulatory framework and align it with international best practices are crucial. This includes enhancing corporate governance standards, improving disclosure requirements, and ensuring effective market oversight.

3. Technological Upgrades: Investing in advanced trading and settlement systems will enhance market efficiency and accessibility. Digital platforms can provide investors with real-time market information and facilitate online trading, thereby increasing market participation.

4. Encouraging Public Listings: Incentives for companies to go public, such as tax benefits and simplified listing procedures, can help increase the number of listed companies. Public awareness campaigns highlighting the benefits of public listings can also play a role in attracting more companies to the market.

5. Attracting Foreign Investment: Efforts to attract foreign investment are vital for the growth of the capital market. This can be achieved through policies that create a favorable investment climate, such as ensuring political stability, protecting investor rights, and providing a transparent regulatory framework.





DEPOSITAIRE CENTRAL/BANQUE DE REGLEMENT OF WEST AFRICAN ECONOMIC AND MONETARY UNION BASED IN COTE D'IVOIRE

The Depositaire Central/Banque de Règlement (DC/BR), the regional settlement and depository serving the West African Economic and Monetary Union (WAEMU) is central to the development of capital markets in the Region and a crucial institution in the financial landscape in West Africa.

Early Development and Establishment

Recognizing the need for a more robust and integrated capital market to support economic development across the region, the WAEMU member states decided to establish the Depositaire Central/Banque de règlement in 1996, headquartered in Abidjan, Côte d'Ivoire (Ivory Coast).

The financial institution serves eight WAEMU countries: Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal, and Togo.

The establishment of the DC/BR marked a significant milestone in the development of capital markets in the WAEMU region, providing a unified and regulated marketplace for settling safely securities, but also promoting economic integration and facilitating capital flows across the eight member states.

DC/BR's missions are summarized as follows:

1. ensuring the safekeeping and circulation of securities
2. ensuring the settlement of BRVM transactions
3. ensuring the payment of corporate actions (interest and dividends) recorded in its books
4. managing the Market Guarantee Fund to ensure the successful completion of operations.

Regulatory Framework

The regulatory framework governing the capital markets in Region is overseen by a regional regulatory authority called the Autorité des Marchés Financiers de l'UMOA formerly named Conseil Régional de l'Épargne Publique et des Marchés Financiers (CREPMF). CREPMF was established in 1997 to regulate and supervise the WAEMU capital markets, ensuring transparency, investor protection, and market integrity.

The regulatory framework includes robust corporate governance standards, and comprehensive disclosure obligations for listed companies and settlement guaranty fund mechanism in case of default. AMF-UMOA also oversees the licensing and supervision of market intermediaries, such as brokers, asset management companies to name a few, ensuring they adhere to high standards of conduct and financial stability.

Technological Advancements

Technological advancements have played a crucial role in the development of the regional market infrastructure and the broader capital markets in WAEMU. The implementation of electronic trading systems and central depository has significantly enhanced the efficiency and transparency of market operations. Both market infrastructure have adopted advanced trading platforms and fully dematerialized register that provide robust and efficient trading and settlement environments, offering improved risk management features and greater transparency.

The DC/BR has also introduced digital platforms to provide market participants with real-time market data and online trading services. These initiatives are part of broader efforts to modernize the market and align it with international best practices.

CSD AND SERVICES

DC/BR plays a pivotal role in the functioning of the regional financial markets in the WAEMU region. Established alongside the BRVM in 1996, the DC/BR ensures the efficient settlement and safekeeping of securities, thereby contributing to the overall stability and integrity of the market.

Securities Settlement: The DC/BR facilitates the settlement of securities transactions executed on the BRVM. Settlement typically occurs on a T+3 basis (three business days after the trade date), ensuring the timely and efficient transfer of ownership of securities.

Custody Services: The DC/BR provides custody services, which involve the safekeeping of securities on behalf of investors. This includes maintaining accurate records of securities ownership, handling corporate actions such as dividend payments and stock splits, and ensuring the integrity of securities holdings.

Clearing and Risk Management: The DC/BR is responsible for the clearing of trades, which involves the netting of buy and sell transactions to determine the final settlement obligations of market participants. The CSD also implements risk management measures to mitigate counterparty risk and ensure the stability of the settlement process.

Registration Services: The DC/BR maintains a central

registry of securities ownership, ensuring that ownership records are accurate and up-to-date. This includes handling the issuance and transfer of securities, as well as maintaining records of pledged securities.

Corporate Actions Processing: The DC/BR manages the processing of corporate actions, such as dividend distributions, rights issues, and mergers and acquisitions. This ensures that investors receive their entitlements in a timely and accurate manner.

RECENT DEVELOPMENTS AND FUTURE PROSPECTS

In recent years, key developments include:

Green Bonds and Sustainability Initiatives: the Regional financial market has shown a commitment to sustainability by encouraging the issuance of green bonds and other sustainable financial instruments. These initiatives are part of broader efforts to align the capital markets with ESG standards.

Enhanced Regulatory Framework: The Securities Exchange Commission, AMF-UMOA continues to strengthen the regulatory framework, focusing on areas such as anti-money laundering and combating the financing of terrorism. These efforts aim to ensure that the WAEMU capital markets remain secure, transparent, and attractive to both local and international investors.

Digital Transformation: The DC/BR is investing in digital transformation initiatives to enhance market operations and improve investors and participants experience. This includes the development of mobile applications to subscribe to initial offering in the primary market and digital services that provide real-time market information and facilitate seamless activities to market participant.

Regional Integration: The Regional financial market is actively working towards greater regional integration of their capital markets with the ECOWAS markets (Nigeria and Ghana to name the active markets). The DC/BR have established partnerships and collaborations with other regional exchanges and CSD, aiming to promote cross-border listings and settlement activities. These efforts are expected to enhance market liquidity and attract a broader investor base.

The DC/BR has been a full member of the International Association of ANNA and the AMEDA since 2013.



HISTORY AND DEVELOPMENT OF CAPITAL MARKETS IN EGYPT

Egypt, with its strategic location at the crossroads of Africa, Asia, and Europe, has a long history of financial and economic activities. The development of its capital markets reflects the country's efforts to harness this potential and create a vibrant financial ecosystem. The Egyptian Exchange (EGX) and CSDs are central to these efforts.

Early Development and Establishment

The history of organized capital markets in Egypt dates back to the late 19th century. The first formal stock exchange in Egypt, the Alexandria Stock Exchange, was established in 1883, followed by the Cairo Stock Exchange in 1903. These exchanges were among the earliest in the region and played a crucial role in the financial landscape of Egypt. During the early 20th century, the Egyptian stock exchanges experienced significant growth, driven by the agricultural and banking sectors. However, the 1952 revolution and subsequent nationalization policies led to a decline in market activities. The stock exchanges remained dormant for several decades as the economy shifted towards state control.

The regulatory framework governing Egypt's capital

markets has evolved significantly to ensure market integrity, transparency, and investor protection. The FRA, established in 2009, is responsible for regulating and supervising the capital markets, insurance, mortgage finance, financial leasing, factoring, and securitization. Key regulatory milestones include:

1. **Capital Market Law:** The Capital Market Law, enacted in 1992 and subsequently amended, provides the legal foundation for the operation of capital markets in Egypt. It outlines the rules for the issuance and trading of securities, the responsibilities of market participants, and the powers of the FRA.
2. **Listing Rules:** The EGX has implemented stringent listing rules that require companies to meet specific financial, legal, and governance criteria before being admitted to trading. These rules are designed to ensure that listed companies maintain high standards of transparency and corporate governance.
3. **Disclosure Requirements:** The regulatory framework mandates comprehensive disclosure requirements for listed companies, including periodic financial reporting, material event

disclosures, and corporate governance reports. These requirements aim to provide investors with timely and accurate information to make informed investment decisions.

Corporate Governance: The FRA has issued corporate governance guidelines to promote best practices among listed companies. These guidelines cover various aspects of corporate governance, including board composition, shareholder rights, and risk management.

Market Growth and Development

The growth of Egypt's capital markets has been driven by various initiatives aimed at enhancing market efficiency, liquidity, and investor confidence. Key developments include:

1. **Technological Advancements:** The EGX has invested in advanced trading systems and digital platforms to enhance market operations. The implementation of the X-Stream INET trading platform by Nasdaq has significantly improved the efficiency, speed, and transparency of trading activities.
2. **Product Diversification:** The EGX has expanded its product offerings to include a wide range of financial instruments, such as equities, bonds, sukuk (Islamic bonds), ETFs and REITs. This diversification aims to attract a broader investor base and provide more investment options.
3. **Initial Public Offerings (IPOs):** The EGX has seen a number of successful IPOs, including those of major state-owned enterprises and private companies. These IPOs have contributed to increased market activity and investor interest.
4. **Foreign Investment:** Egypt has implemented policies to attract foreign investment, including the introduction of 100% foreign ownership of listed companies in certain sectors and the easing of restrictions on foreign ownership of securities. These measures have helped to increase foreign participation in the market.
5. **Market Reforms:** Ongoing market reforms have focused on enhancing market integrity, investor protection, and corporate governance standards.

These reforms include updated listing rules, improved disclosure requirements, and measures to promote greater transparency and accountability.

CENTRAL SECURITIES DEPOSITORIES AND SERVICES

About MCDR

Misr for Central Clearing, Depository, and Registry (MCDR) is the central securities depository for Egypt and plays a pivotal role in the functioning of the capital markets. Established in 1994, MCDR ensures the efficient settlement and safekeeping of securities, thereby contributing to the overall stability and integrity of the market.

MCDR Services

1. **Securities Settlement:** MCDR facilitates the settlement of securities transactions executed on the EGX. Settlement typically occurs on a T+2 basis (two business days after the trade date), ensuring the timely and efficient transfer of ownership of securities.
2. **Custody Services:** MCDR provides custody services, which involve the safekeeping of securities on behalf of selected types of institutional investors. This includes maintaining accurate records of securities ownership, handling corporate actions such as dividend payments and stock splits, and ensuring the integrity of securities holdings.
3. **Clearing and Risk Management:** MCDR is responsible for the clearing of trades and applies the settlement model 2 (net cash, gross securities). The CSD also implements risk management measures to mitigate counterparty risk and ensure the stability of the settlement process.
4. **Registration Services:** MCDR maintains a central registry of securities ownership, ensuring that ownership records are accurate and up-to-date. This includes handling the issuance and transfer of securities certificates, as well as maintaining records of pledged securities.

5. CA Processing: MCDR manages the processing of corporate actions, such as dividend distributions, rights issues, and mergers and acquisitions. This ensures that investors receive their entitlements in a timely and accurate manner.

Securities Lending and Borrowing: To enhance market liquidity and facilitate short-selling, MCDR offers securities lending and borrowing services. This allows investors to lend their securities to other market participants

About The Egyptian Central Securities Depository (ECSD):

ECSD is the central securities depository for all government debt instruments including but not limited to, government bonds, treasury bills (T-Bills). ECSD has been established to consolidate the central depository, settlement, and clearing operations for all government debt instruments through one unified legal government owned entity, to align with the international practices. ECSD has been incorporated officially on 27 th of December, 2020 as an Egyptian joint-stock company with an authorized capital of EGP 1 Billion, issued & paid-up capital of EGP 100 million. with the following shareholding structure:

- The Central Bank of Egypt 70%
- The Egyptian Ministry of Finance 30%

Furthermore, ECSD's main activities had been launched to the market through two main phases:

Phase I: Treasury bonds with all of its related activities have been transferred from MCDR to ECSD on 14 May 2023.

Phase II: Treasury Bills with all of its activities have been transferred from the Central Bank of Egypt (CBE) to ECSD on 24 September 2023.

ECSD Market contribution (Key Benefits):

- Encourage investment appetite by local & foreign investors and improve liquidity. • System developments meet international standards & ICSD requirements
- Promote the introduction of new governmental financial instruments (e.g. sovereign sukuks)
- One-stop shop providing a wide range of central depository services.

-Acting as a centralized tax agent for all government debt instruments, performing calculation & deduction of relevant taxes.

- Leveling-up the market by utilizing SWIFTs.
- Realtime clearing & settlement processes.
- Comprehensive reporting services.
- Increasing market awareness through training sessions & vast group meetings

ECSD Services

- Settlements
- Corporate Actions
- Taxation
- Ancillary Services
- Client Relationship Management (CRM)

RECENT DEVELOPMENTS AND FUTURE PROSPECTS

In recent years, Egypt's capital markets have witnessed several positive developments aimed at enhancing market depth and attracting more investors. Key developments include:

1. **Introduction of New Financial Instruments:** The EGX has introduced a variety of new financial instruments, such as futures and options, to provide investors with more trading and hedging options. This diversification aims to attract a broader investor base and enhance market liquidity.
2. **Green Bonds and Sustainability Initiatives:** Egypt has shown a commitment to sustainability by encouraging the issuance of green bonds and other sustainable financial instruments. These initiatives are part of broader efforts to align the capital markets with global ESG standards.
3. **Enhanced Regulatory Framework:** The FRA continues to strengthen the regulatory framework, focusing on areas such as AML and CFT. These efforts aim to ensure that Egypt's capital markets remain secure, transparent, and attractive to both local and international investors.

4. **Digital Transformation:** Capital Market Institutions are investing in digital transformation initiatives to enhance market operations and improve the investor experience. This includes the development of mobile applications, online trading platforms, and digital services that provide real-time market information and facilitate seamless trading activities.
5. **Regional Integration:** Egypt is actively working towards greater regional integration of its capital markets. The EGX has established partnerships and collaborations with other regional exchanges, aiming to promote cross-border listings and trading activities. These efforts are expected to enhance market liquidity and attract a broader investor base.

Future Prospects

The future of Egypt's capital markets looks promising, with ongoing efforts to enhance market infrastructure, attract foreign investment, and promote financial innovation. Key areas of focus include:

1. **Enhancing Market Liquidity:** Increasing market liquidity is essential for attracting more listings and investors. This can be achieved through measures such as promoting financial literacy, encouraging institutional investor participation, and introducing new financial instruments.

2. **Improving the Regulatory Environment:** Continued efforts to strengthen the regulatory framework and align it with international best practices are crucial. This includes enhancing corporate governance standards, improving disclosure requirements, and ensuring effective market oversight.
3. **Technological Upgrades:** Investing in advanced trading and settlement systems will enhance market efficiency and accessibility. Digital platforms can provide investors with real-time market information and facilitate online trading, thereby increasing market participation.
4. **Encouraging Public Listings:** Incentives for companies to go public, such as tax benefits and simplified listing procedures, can help increase the number of listed companies. Public awareness campaigns highlighting the benefits of public listings can also play a role in attracting more companies to the market.
5. **Attracting Foreign Investment:** Efforts to attract foreign investment are vital for the growth of the capital market. This can be achieved through policies that create a favorable investment climate, such as ensuring political stability, protecting investor rights, and providing a transparent regulatory framework.





BRIEF HISTORY OF THE CAPITAL MARKETS IN GHANA, AND THE ESTABLISHMENT AND DEVELOPMENT OF CSD (GH) LTD

Over the past three decades, Ghana's capital market has undergone extensive reforms that have significantly advanced its development. The formal inception of Ghana's capital market began with the establishment of the Ghana Stock Exchange in 1990, alongside institutions such as broker-dealers, investment advisors, and fund managers. In 1993, efforts were made to enhance market regulations and align them with international best practices. This led to the establishment of the Securities Regulatory Commission under the supervision of the Governor of the Bank of Ghana in 1993. The Bank of Ghana initially managed the capital market through a dedicated desk within the Bank until the Securities Regulatory Commission was formally established as an independent body in September 1998. In 2000, the Commission was restructured into the Securities and Exchange Commission by an act of Parliament. In 2023, the Securities and Exchange Commission launched the implementation of a comprehensive ten

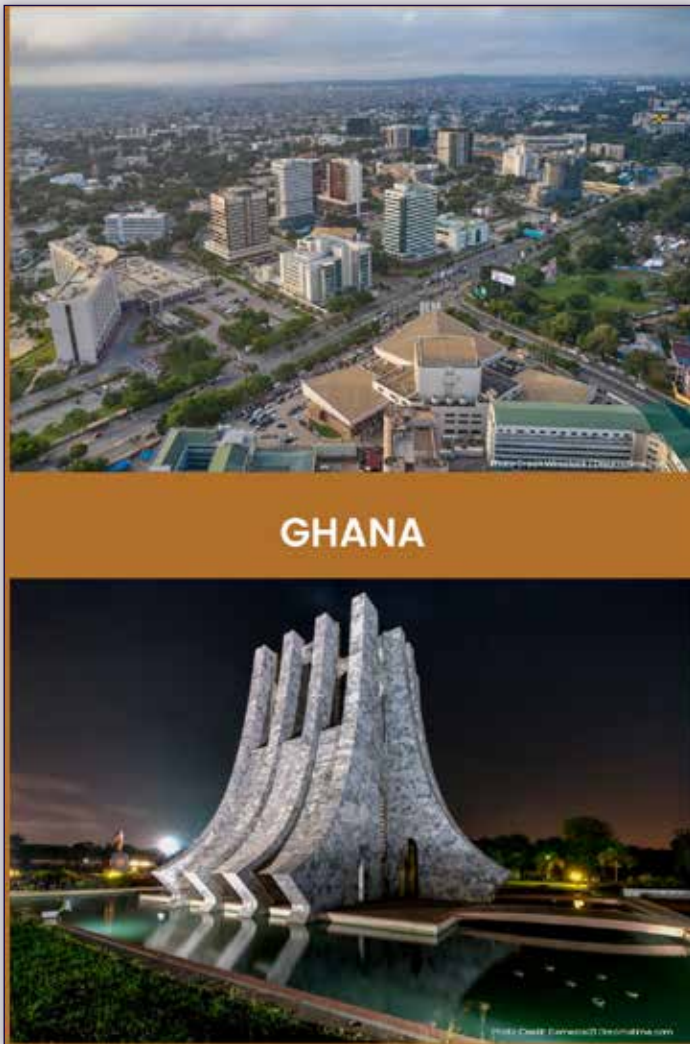
year strategic master plan to serve a road map for the development of Ghana's capital market. The evolution of Ghana's capital market also saw the introduction of critical financial market infrastructures, notably the CSD in November 2004. This development, marking its twentieth anniversary in November 2024, was part of the broader Financial Sector Strategic Plan (FINSSP) of the early 2000s, aimed at reforming the financial market ecosystem of Ghana and ultimately attracting investments. Inspired by FINSSP, the National Bond Market Committee was formed to address barriers to the growth of Ghana's corporate bond market and monitor the performance of the government bond market as a benchmark. In 2002, the National Bond Committee in collaboration with the Bank of Ghana and the Ghana Stock Exchange recommended the Government of Ghana, to establish an automated securities depository, clearing, and settlement system. On November 29, 2004, the Bank of Ghana established Ghana's first Depository and Electronic Auction systems as per this recommendation, designed to manage government securities' issuance, custody, trading, and redemption. Concurrently, the Ghana Stock Exchange established the GSE Securities

Depository Company Ltd. (GSD) as a wholly-owned subsidiary to develop an automated stock trading system. The GSD was authorized by the Securities & Exchange Commission to operate as a securities depository on November 5, 2008, and began operations on November 14, 2008. The two depositories operated concurrently until their merger in 2014. To improve market efficiency, reduce transactional costs, and minimize the high cost of maintaining two independent depository systems in the country, the Ministry of Finance recommended merging the two depositories. This recommendation was also due to the small size of Ghana's capital market. In January 2014, the CSD (GH) LTD (CSD) and the GSE Securities Depository Company Limited successfully merged to form a single entity, with the Bank of Ghana currently holding 70% ownership and the Ghana Stock Exchange holding 30% ownership. The CSD now manages a diverse portfolio, including equities, government and Bank of Ghana instruments, corporate bonds, ETFs, and money market instruments, and offers registrar services under a license from the Securities and Exchange Commission of Ghana. Since the inception of depository, clearing and settlement services in Ghana in 2004, the CSD has been instrumental in Ghana's financial market development by enabling electronic handling of securities, streamlining settlement processes for both primary and secondary market activities, and facilitating central bank money settlements. The 20th anniversary of the CSD, set for November 2024 is an opportunity to celebrate its significant contributions and emphasize the vital role of financial market infrastructure in supporting Ghana's economic development.

CSD (GH) LTD'S VISION AND FUTURE PLANS AMID CURRENT DEVELOPMENTS IN THE LOCAL AND GLOBAL CAPITAL MARKETS

The Central Securities Depository (GH) LTD (CSD) is commemorating the 20th anniversary of the introduction of depository, clearing, and settlement services to Ghana's capital market since November 2004. This milestone presents an opportunity to reflect on our past achievements and set ambitious future goals for the institution. The CSD is proud of its accomplishments over

the past two decades and looks forward to building on this legacy. The CSD also reaffirms its dedication to supporting the transformation of Ghana's capital market, continuing its legacy of innovation and customer centric service. As one of the earliest key financial market infrastructures established in Ghana, the CSD has been responsible for providing depository, clearing, settlement, and registry functions which are essential to the growth and development of a modern-day capital market. Over the past two decades, the CSD has successfully transitioned the fixed income and equity markets from paper-based to electronic-based systems through the adoption of enhanced technologies. The value-added services rendered by the CSD have contributed to increasing market transactions and have significantly impacted the broader financial market ecosystem of Ghana, particularly the banking sector. The CSD's repurchase agreement platform allows banks to conduct real-time interbank transactions on the platform, supporting liquidity management requirements of Commercial Banks. The services that have been rendered by the CSD (GH) LTD over the years have spurred and supported the growth and the development of Ghana's capital market, fostering market confidence, transparency, and attracting both foreign and domestic investors to the country. In 2022, amid the government's efforts to secure an International Monetary Fund (IMF) bailout as part of broader efforts to restore macroeconomic stability in the country, the CSD played a central role by supporting the successful implementation of the first-ever domestic debt exchange programme in Ghana, thus supporting government's effort towards financial stability. Notwithstanding its successes, the CSD (GH) LTD remains committed to providing strategic and unequivocal service to the market on a continuous basis. To achieve this, the CSD's current strategic plan focuses on three thematic goals: Service Excellence, Business Diversification, and Strategic Alliance. Looking ahead, the CSD plans to intensify technological initiatives, strategically improve processes, and adopt innovative business models to deliver both immediate and long-term value to the market. The goal is to enhance technological capabilities and maintain leadership in financial market transformation. Currently, as part of our strategic focus to enhance our technological



capabilities and improve service delivery, the CSD (GH) LTD has engaged the services of Montran Corporation, USA, to implement a new core infrastructure system comprising of depository, clearing & settlement, registrar and investor portal, set to go live in November 2024. Just as we have done in the past, CSD (GH) LTD will maintain strict adherence to regulations and engage in strategic collaboration with key market stakeholders to develop and grow the country's financial market. The CSD is currently collaborating with the Bank of Ghana to implement intraday liquidity facility for the banking sector. Introducing intraday liquidity is a significant step towards reducing settlement risk and enhancing market liquidity. To support this initiative, the CSD is optimizing its platform to facilitate the Bank of Ghana's efforts. Another strategic focus of the CSD is to collaborate with stakeholders to enhance market education and awareness strategies. We plan to enhance our Human Resource

Development through continuous training to equip staff with the necessary skills and develop the next generation of leaders. In the coming years, we aim to improve risk management, business continuity, Disaster Recovery site, and cyber defenses. At the international level, the CSD is preparing its systems for cross-border settlements as part of the integration of the West African capital markets. We will also explore advisory services in West Africa where CSDs lack advanced technology. The CSD remains optimistic about future growth opportunities and is committed to leveraging these opportunities for growth. Mission: To provide secure, dependable, and efficient clearing, settlement, depository, registrar, and other related securities services to satisfy our customers. Vision: To be a globally recognized provider of efficient and reliable securities services, contributing to a well-organized and robust financial market in Ghana.

SERVICES AND PRODUCTS OF CSD (GH) LTD

The Central Securities Depository (GH) LTD being one of the leading financial market infrastructures in Ghana's capital market, offers a wide range of services to its customers and stakeholders. These services include:-

Depository Services Through the depository services, CSD (GH) LTD is able to offer robust depository services for the electronic management of both fixed income and equity securities, ensuring the safety and security of assets under its custody. Moreover, as part of the depository services, the CSD facilitates smooth securities transfers between investors and supports the opening and maintenance of securities accounts. The depository operates mainly with a beneficial owner account structure, with options for nominee accounts in line with the Securities and Exchange Commission's guidelines on nominee accounts.

Clearing & Settlement Services In addition to the depository services, CSD (GH) LTD provides clearing and settlement services for debt and equity securities under its custody. This includes options for DVP or FOP settlement. Products processed through the CSD platform for clearing and settlement activities include secondary market trades and repurchase agreements,

with settlements conducted through the central bank to ensure efficiency and reliability. Corporate Action Services The CSD (GH) LTD manages corporate actions primarily for issuers of fixed income securities, handling tasks such as interest payments, maturity payments, and debt exchanges or reorganizations of fixed income securities. For equity markets, where legal constraints prevent direct management of equity corporate actions by the CSD, support is provided to registrars in performing equity corporate action functions.

Registrar Services

In addition to the license to operate depository, clearing and settlement activities in the capital market of Ghana, CSD (GH) LTD also has a license to offer registrar

services to the market. CSD (GH) LTD's Registrar Unit offers registrar services to both listed and unlisted issuers. The registrar services include maintaining accurate shareholder registers, managing shareholder inquiries, registering transfers and transmissions, AGMs, processing and distributing dividend payments, and managing all corporate actions, including IPOs, on behalf of its clients. Data Services The CSD (GH) LTD being the central institution for securities market data, provides valuable information to policymakers, researchers, and students, supporting their studies and decision-making processes.





ABOUT SDC AND ITS SERVICES

Securities Depository Center of Jordan (SDC) is a public utility institution established in the Kingdom by virtue of the Securities Law No (23) of 1997, which was issued to a safe, stable and attractive investment environment that supports the national economy. The Securities Law of 1997 separated the functions of the Amman Financial Market (AFM) and created the Jordan Securities Commission (JSC), the Amman Stock Exchange (ASE) and SDC. The SDC is subject to the JSC's monitoring and supervision.

The SDC, which has a legal personality with financial and administrative autonomy, commenced operation in May 1999 and is the only entity in Jordan that is legally empowered by the virtue of Securities Law No. (18) of 2017 to oversee the following responsibilities:

Registration, safekeeping, and depositing of securities

This process includes depositing the registers of the owners of securities and authenticating them in the SDC database completely and accurately based on their information where the registers at the SDC are legal evidence of ownership of the securities.

The SDC is recognized by the ANNA and JSC as the sole numbering agency in Jordan for the assignment of all codes.

Transferring the ownership of securities

The SDC transfers the ownership of the deposited and traded securities on the ASE, where the ownership is transferred via book entry based on the daily file for trading received from the Exchange, In addition, the SDC handles the process of transferring ownership of non-traded securities, as well as transfers excluded from trading mainly inheritance transfers and family transfers.

Supporting the trading transactions executed in the Market through the Clearing and Settlement of Securities System

The SDC calculates the net rights and obligations of brokers and custodians resulting from trading and notifies them electronically in the SDC's systems dedicated for brokers and custodians on a DVP basis.

Financial settlements between brokers and custodians are conducted through the SDC by fund transfers from the brokers' and custodians' accounts to the SDC Settlement Account at the Settlement Bank (Central Bank of Jordan). Consequently, the SDC transfers those funds to the brokers and custodians who should receive funds through the network SWIFT in the (RTGS-JO).

One of the measures to manage risks effectively is the Settlement Guarantee Fund (SGF). Therefore, if the Broker

or Custodian does not pay the settlement amount within the specified timeframes, they are considered in breach of obligations and the SGF shall substitute the defaulting Broker or Custodian.

Imposing and releasing the ownership restrictions upon deposited securities

These ownership restrictions are lien, pledge and freeze.

Recent developments:

- Settlements of Block Trades.
- Launching the second phase of the text messaging service (SMS).
- Launching the free “e-Portfolio” application for smart phones
- Launching the SDC’s New Website
- Self-Assessment Report according to the Disclosure framework and Assessment Methodology against Principles for Financial Infrastructures issued by International Organization of Securities Commissions (IOSCO) and BIS, it is uploaded to the SDC website under the international standards tab on home page.
- Raising the level of compliance with applicable international standards in relation to risk management by creating an organizational unit concerned with risk management.
- Raising the efficiency of security and data protection systems (Cybersecurity Measurements)

Future Plans:

- ISO accreditation certificate for the SCORPIO system.
- Strengthening the SDC’s role in international and regional organizations related to the securities industry.
- Implementing a mechanism for securities lending and borrowing and short selling, to enhance the role of market makers.
- A specialized system for managing the government securities registry.

The SDC has undertaken a number of technical, strategic, and administrative initiatives to build and strengthen its infrastructure, implement world-class state-of-the-art systems and achieve its goal of true DVP.

The SDC developed a system named the “Securities

Central Operation Registry Processing & Information Online (SCORPIO)®” System.

SCORPIO, an SDC-designed and implemented system, is a bilingual system that is a complete solution for the registration, deposit, safe-keeping and transfer of securities ownership. SCORPIO consists of a number of systems and modules for registration, depository, clearing and settlement also provides a mechanism for risk management and surveillance of clearing and settlement. Its modules include brokers, issuers, custodian, surveillance and auditing, pledge, lien and website services systems, which taken together enable the SDC to provide investors with a wide range of services.

VISION, MISSION, VALUES AND OBJECTIVES OF THE SECURITIES DEPOSITORY CENTER (SDC) OF JORDAN

Vision

A distinguished institution for providing and developing Securities services which contributes in enhancing safe, stable and attractive environment for investment.

Mission

Safekeeping, Transfers, Clearance and Settlement of Securities in compliance with international standards and best practices, and improving the level of services, relying on qualified human resources, advanced technology and a culture of excellence.

Core Values

- Integrity and the Rule of Law
- Security and Confidentiality of Information
- Accuracy
- Transparency
- Excellence in Performance
- Professionalism

Objectives

- Enhance the confidence of investors in securities and enable them to follow-up their investments easily.
- Reduce risks related to settlement of trading transactions executed through the market.



CDSC'S JOURNEY OF REVOLUTIONIZING KENYA'S CAPITAL MARKETS

Kenya's trading environment was characterized by manual processes, opaque settlement timelines, and significant risks, including the loss or theft of physical securities. This lack of transparency and the cumbersome nature of paper-based transactions made it difficult to scale the market and increase investor participation. Recognizing the need for a more efficient and secure system, the Capital Market Authority (CMA), established in 1989, and the Nairobi Securities Exchange (NSE), founded in 1954, spearheaded reforms that would pave the way for a centralized depository system. These reforms were part of a broader strategy to align Kenya's financial markets with global standards, ensuring that the market could attract both local and international investors.

The Central Depository and Settlement Corporation (CDSC) was established in 2004, a pivotal moment in the modernization of Kenya's capital markets. The main goal of our establishment was to bring efficiency to the post-trade operations happening at the NSE and catalyze growth, investor confidence, and access by guaranteeing

transparency, security, and efficiency in the depository, clearing and settlement of securities.

Since our inception, the CDSC has achieved several key milestones. After going live with Central Depository System, we were able to achieve a key stock market milestone of ensuring full DVP for listed securities in 2005, a key development in boosting investor confidence in our stock market.

In 2006, we collaborated with the NSE to launch the ATS, further enhancing the efficiency of securities trading. This system facilitated real-time trading and settlement, contributing to a more dynamic and liquid market. The integration of ATS with our Central Depository System was a critical step towards modernizing Kenya's capital markets, positioning them as more competitive and attractive to investors.

In 2011, we hit another major milestone in implementing the global standard (then) for settlement timelines (T+3). By 2014, we had fully dematerialized the entire market (stocks and corporate bonds) thereby ensuring only shares held in electronic format in the Central Depository System could be available for trading on the stock exchange.

As the market expanded, so did the risks involved in settlement. In 2015, we introduced the settlement of funds through our Central Bank. Funds settlement through the Central Bank of Kenya significantly reduced the liquidity, counterparty, and settlement risks that were present when settling funds through commercial banks.

In 2016, we rebranded with a renewed focus on serving the investor, having achieved the founding mission of ensuring efficient post-trade operations at our local stock market. The period that followed marked notable innovations and solutions aimed at increasing the ease of accessing the stock market and investment options. In 2017, we launched the first fully-mobile-traded government bond called M-Akiba bringing over 500,000 new investors into the stock market and democratizing access to the capital markets. In further response to the increasing demand for digital solutions, we launched the CDSC chatbot in 2022 and the Dosikaa Mobile App in 2023. With these channels, investors can easily access their accounts, view their portfolios, and manage their investments from the convenience of their devices. This innovation was in line with our commitment to leveraging technology to enhance the investor experience and streamline our operations. It was also during this period that we deployed APIs to our Central Depository Agents (Stockbrokers and Custodians) to facilitate investors to easily transact and manage their investments digitally. We also upgraded our systems in 2019 to meet the growing needs of the market and support the deployment of new products like SLB.

We continue to evolve and hit new milestones scaling our service offerings to new markets while still remaining true to our mission of facilitating marketplaces that are secure, transparent and efficient.

PRODUCT OFFERINGS

The main mandate of the CDSC is the provision of efficient and secure depository, clearing, and settlement services for all securities listed on our local exchange. We also offer a range of other services designed to meet the diverse needs of our clients.

Account opening and maintenance

Through Central Depository Agents stockbrokers, and custodian banks, we facilitate the opening and management of share accounts for investors who want to buy shares of public companies listed on the NSE. The share accounts are held safely and securely within our Central Depository System.

Securities Transfer Service

We facilitate investors to consolidate their shareholding information under one depository agent or wish to split their shares portfolio through our shares transfer service. We also private transfer services to investors who wish to gift their loved ones with shares. Share gifting applies only to close relatives. We also facilitate the transfer of shares in deceased cases to the appointed beneficiaries.

Share Immobilization

CDSC has revolutionized the way securities are managed by maintaining electronic records of ownership and effecting transfers without the need for physical certificates. We facilitate the share conversion process (immobilization) of shares still held in paper certificates through Registrars and Central Depository Agents.

Securities Lending and Borrowing

Our SLB service provides market participants with the flexibility to borrow or lend securities for short-term purposes. This service is essential for enhancing market liquidity and enabling various trading strategies. Whether you are looking to cover a short position or generate additional income from your holdings, CDSC's SLB service offers a secure and efficient solution that meets your needs.

Pledging of Securities

CDSC's pledging service offers a secure and efficient way for investors to use their holdings as collateral through different financiers. The shares are pledged in favor of the lender until the loan is cleared, after which the pledge can be lifted, and shares released back to the investor.

Provision of Entitlement Schedules to Issuers and Registrars

CDSC is the official holder of investor data. We provide accurate and timely entitlement schedules to issuers and registrars, ensuring the efficient execution of dividend payments, bonus share allocations, and rights issues. This service guarantees that all corporate actions are carried out with precision, enhancing transparency and trust within the capital markets.

Online Account Access through Our Digital Channels

CDSC is committed to providing our investors with secure, convenient, and efficient access to their shareholding information and services. Our suite of digital channels includes the innovative Dosikaa Application, the Email Statement Service, and the CDSC Chatbot (Rhino App). These platforms allow investors to monitor their portfolios, manage their accounts, and engage with our services anytime and anywhere, ensuring that they are always in control of their investments with ease and confidence.

Sacco Depository and Share Trading Solution

CDSC is offering a cutting-edge solution designed to empower SACCOs in the digital age. SaccoConnect provides

SACCO members with a seamless and secure platform to buy and sell shares and manage their investments. SaccoConnect offers SACCOs the tools they need to enhance member engagement, improve share capital management and enhance their customer experience.

POSITIONING CDSC FOR THE FUTURE

CDSC Kenya has offered Depository, Clearing, and Settlement services exclusively to Capital Markets participants for 20 years. In the two decades of our existence, we have perfected our craft and ensured investor confidence by guaranteeing the efficient settlement of all Equities and Corporate Bond trading on the Nairobi Securities Exchange. The CDSC is currently responsible for the safe custody of over USD 20 billion worth of Investor assets, the settlement of over USD 1 Billion worth of trades on an annual basis, and service to over 1.6 million investors supporting them in their wealth-creation journey on the Exchange and so much more.

The Kenyan Capital Markets have undergone different cycles with some years of growth and record-high stock prices and other years marked with low prices and reduced market activity. In the first quarter of this year, the NSE all-share index recorded a 49% growth in dollar terms making Kenya the best-performing stock market in Africa. While the market has fluctuated over time, the CDSC Kenya has remained consistent in the delivery of efficient Clearing and Settlement services. This stability in post-trade activities is part of the efficiency benefits that were envisioned when the CDSC was established in 2004.

Our vision is to become a solution provider of choice for depository and settlement services through a deliberate focus on our clients both Investors and Securities Issuers. We are actualizing this goal through continuous investment in our Technological platforms, and our Human Capital. One of our flagship products during this period has been the (SLB) solution that targets pension schemes, long-term institutional investors, and established



funds that can now earn an additional return from their shares without selling them when they participate in SLB as lenders. This solution has enabled investors to leverage their assets through all market cycles while still enjoying shareholder benefits such as dividends, bonus shares, and Rights Issues.

Innovation and technology are also enabling the provision of CDSC services digitally. This is a key pillar in our strategy that helps the organization scale its distribution efficiently. We have partnered with other capital markets participants to develop a mobile application (Dosikaa) that facilitates a fully automated investing experience, from opening the shares account to receiving payment after selling their securities. The application has been well received by the market and will continue to be enhanced to offer all CDSC products and services. Throughout this strategy cycle, we have endeavored to increase the efficacy of our channels and access points to bring more investors into the Capital Markets space while ensuring the existing customers are actively trading and participating in wealth-creation opportunities.

As a depository, we are always thinking about the future of our market and business. The rapid advancements in technology, more specifically, artificial intelligence, and digital identity solutions, are reshaping the operations of securities depositories. As custodians of financial

assets, and securities depositories we are embracing these innovations to enhance transparency, efficiency, and security in capital markets. CDSC is currently exploring how, AI and machine learning capabilities can be harnessed for predictive analytics, risk management, and automation of our processes, enabling more accurate and timely decision-making while enhancing our product development efforts.

The CDSC is also currently extending its capabilities as a depository and settlement firm to the local Savings and Credit Cooperative Societies (credit unions) to help them deal with the challenges in share capital management among members like illiquidity, and lack of transparency in pricing as well as administrative challenges with member onboarding and exits. This diversification strategy is a necessary endeavor not only for business sustainability but also to be part of the overall efficiency improvement across the financial sector.

We continue to explore collaboration opportunities with other depositories and market participants to enhance the accessibility of our solutions, ensuring that we remain at the forefront of innovation and change enablers in the development of our capital markets





HISTORY AND DEVELOPMENT OF CAPITAL MARKETS IN KUWAIT

Kuwait has a long-standing tradition of commerce and trade, which has greatly influenced the development of its capital markets. The Kuwait Stock Exchange, now known as Boursa Kuwait, has been central to the financial landscape of the country. Additionally, the Kuwait Clearing Company (KCC) plays a crucial role in the capital market infrastructure by providing central securities depository (CSD) services.

Early Development and Establishment

The formal establishment of capital markets in Kuwait dates back to the early 1970s. The Kuwait Stock Exchange was officially established in 1977, though informal trading activities had been taking place long before this. The Kuwait Stock Exchange was created to provide a structured platform for trading securities, aiming to facilitate capital formation and economic growth.

The Kuwait Stock Exchange initially operated under the supervision of the Ministry of Commerce and Industry. In its early years, the exchange faced several challenges, including limited market activity, low liquidity, and a small

number of listed companies. However, it gradually gained momentum as more companies sought to raise capital through public listings and investor confidence grew.

ABOUT KUWAIT CLEARING COMPANY

Currently, KCC also known as Maqasa is the central clearing, settlement, and depository entity for the Kuwaiti securities market. KCC provides clearing and settlement services to all securities traded at Boursa Kuwait.

As the central clearing and settlement, and a premier asset servicing entity for the Kuwaiti market, KCC mainly provides services to Boursa Kuwait, brokers, investors, mutual funds, issuing companies, investment firms, banks, foreign clearing and depository entities.

KCC is mainly responsible for calculating obligations of market participants for the exchange of securities and money (clearance) and carries out the final transfer of securities (delivery).

Kuwait Clearing Company will split its operations into two separate entities which are Kuwait Clearing House (KCH) and Kuwait Central Securities Depository (Kuwait CSD). KCH will be responsible for all operations related to

post trade and will act as a CCP, and Kuwait CSD will be responsible for all activities related to the central registrar, corporate actions, etc.

KCC, CMA, and BK have launched a development market program (MD) in Kuwait which consists of four stages. The first stage has completed in May 2017, second stage in April 2018, and the third stage is in process.

MD3 started in 2019 and consists of the following:

- Model 2 settlement (gross securities, net funds)
- CCP – Cash (settlement in central bank accounts)
- Qualified brokers as preparation for clearing membership model
- Automation of Off-Market Trades
- Trade at Last Session
- REITs/Mutual Funds Board
- Extended stock lending/ short-selling
- Sub-accounts identification for omnibus accounts
- Repos
- Margin lending
- Risk waterfall model (brokers model)

CSD SERVICES

1. Securities Settlement: The KCC facilitates the settlement of securities transactions executed on Boursa Kuwait. Settlement typically occurs on a T+3 basis (three business days after the trade date), ensuring the timely and efficient transfer of ownership of securities.

2. Custody Services: The KCC provides custody services, which involve the safekeeping of securities on behalf of investors. This includes maintaining accurate records of securities ownership, handling corporate actions such as dividend payments and stock splits, and ensuring the integrity of securities holdings.

3. Clearing and Risk Management: The KCC is responsible for the clearing of trades, which involves the netting of buy and sell transactions to determine the final settlement obligations of market participants. The KCC also implements risk management measures to mitigate counterparty risk and ensure the stability of the settlement process.

4. Registration Services: The KCC maintains a central registry of securities ownership, ensuring that ownership records are accurate and up-to-date. This includes handling the issuance and transfer of securities certificates, as well as maintaining records of pledged securities.

5. Corporate Actions Processing: The KCC manages the processing of corporate actions, such as dividend distributions, rights issues, and mergers and acquisitions. This ensures that investors receive their entitlements in a timely and accurate manner.

6. Securities Lending and Borrowing: To enhance market liquidity and facilitate short-selling, the KCC offers securities lending and borrowing services. This allows investors to lend their securities to other market participants in exchange for a fee, providing additional income opportunities.





HISTORY AND DEVELOPMENT OF CAPITAL MARKETS IN LEBANON

Midclear S.A.L. is an integral part of Lebanon's financial infrastructure, particularly in the area of securities clearing, settlement, and custody services. To understand its establishment and development, it's important to delve into the history of the Beirut Stock Exchange and the CMA.

About Beirut Stock Exchange

The Beirut Stock Exchange is the second oldest stock market in the region; it was established in 1920, by a decree of the French Commissioner. Initially trading was restricted to gold and foreign currencies.

In the 1930s, trading was expanded to include shares of private companies set up under the French mandate to operate and manage some public services and sectors (railways, communications, post...). It was then equivalent to privatization. Some of these corporate securities and shares were listed on both Beirut Stock Exchange and Bourse de Paris at the same time.

In the 1950s and 1960s, the Lebanese economy witnessed a significant activity; various industrial, banking and services companies listed their stocks on the Beirut Stock

Exchange, thus prompt it at the forefront of the regional markets, totaling fifty listed bonds.

In 1975, at the onset of the security turmoil in Lebanon, the trading activity in the Beirut Stock Exchange draws back and was conclusively halted in 1983. The suspension extended until 1996.

On January 22, 1996, the Beirut Stock Exchange re-launched the trading activity in its hall, following a thirteen-year compulsory suspension.

By the end of 2006, the Beirut Stock Exchange launched a new Remote Trading System, allowing the brokers to trade with the securities listed on the Beirut Stock Exchange "remotely" from their own offices.

On February 13, 2008, the Beirut Stock Exchange decided to approve the use of E-trading on the Beirut Stock Exchange via the internet, and that exclusively through the authorized brokers at the stock exchange.

In September 2017, the Lebanese Council of Ministers approved the formation of the Beirut Stock Exchange SAL, a joint stock company that will replace the current Beirut Stock Exchange.

CMA is an independent, autonomous regulatory body established by the Capital Markets Law No. 161, ratified on 17 August 2011. The CMA's main responsibility is regulating, supervising, licensing and monitoring the activities of the Lebanese Capital Markets as per the powers stipulated by the Capital Markets Law 161/2011.

The CMA has two main objectives that underline its strategic mission and vision:

1. Promoting and developing the Lebanese Capital Markets;
2. Protecting investors from fraudulent activities, through issuing regulations that are in line with international best practices, and proper control and audit of all institutions that deal with financial instruments.

As per Law 161/2011, the CMA issues regulations and supervises the financial markets in an effort to reduce Systemic Risk in the market while also aiming to develop and promote the use of capital markets in Lebanon. Risk management is conducted through promoting a transparent regulatory framework and a comprehensive oversight of the financial system, which allows the CMA to identify potential risks that may systemically damage the financial markets, and proactively engage to mitigate them.

From the perspective of investor protection, the CMA recognizes that issuing diligent regulations on its behalf is highly important for a safe and efficient functioning of the market. As part of its mandate, the CMA also focuses on investor education with a view to enhancing public education and raising awareness about financial markets and the associated risks. This will not only help investors but will also improve the efficiency of capital markets, boost confidence, and reduce risk.

About Midclear S.A.L.

Midclear S.A.L. was established in 1994 by the Central Bank of Lebanon to address a variety of operational and risk issues related to the safekeeping and physical settlement of financial instruments in general.

It is a joint-stock company established and governed by the provisions of the Lebanese Commercial Code and other regulations in force in the Lebanese Republic. It has been mandated that the Central Bank of Lebanon shall continue

to be the holder of not less than 75% of the company's capital as specified in the Articles of Incorporation.

Midclear's main role is to provide clearing, settlement, and custody services for various financial instruments traded on the Beirut Stock Exchange. These services are vital for ensuring the smooth functioning of the capital markets by facilitating the timely and secure transfer of securities and funds between buyers and sellers thereby contributing to the overall stability and integrity of the market.

Over the years, Midclear has played a significant role in the development of Lebanon's capital markets by introducing new services, enhancing operational efficiency, and adhering to international best practices and standards. It has also expanded its services to include Central Depository services for Lebanon by Law Number 139 of October 1999 and Central Registrar for all Lebanese Banks shares by Law Number 308 of April 2001, Corporate Actions processing, and administration of Mutual Funds.

Despite facing challenges, including political instability and economic uncertainties, Midclear has remained resilient and has continued to adapt to the evolving needs of Lebanon's financial sector. Its establishment and development reflect the efforts of the Lebanese authorities and market participants to promote transparency, efficiency, and investor confidence in the country's capital markets.

CSD AND SERVICES

Midclear, the Custodian and Clearing Center of Financial Instruments for Lebanon and the Middle East, plays a pivotal role in the functioning of the capital markets by providing essential post-trade services. Established in June 1994, Midclear ensures the efficient settlement and safekeeping of securities, thereby contributing to the overall stability and integrity of the market.

Midclear offers a range of products and services in the areas of depository and other financial services.

CSD Services

Clearing and Settlement:

Midclear performs clearing and settlement for local

and internationally traded securities. Whatever the market, trades between Midclear members are settled on a DVP basis through its application, thus keeping with international procedures.

Midclear facilitates the settlement of trades executed on the Beirut Stock Exchange (on a T+3 basis), ensuring timely and efficient transfer of securities and funds between buyers and sellers. This includes both cash settlement and DVP model 3 arrangements to mitigate counterparty risk.

Custody Services: Midclear provides custody services for all types of local securities either on a physical or book entry basis, which involve the safekeeping of securities on behalf of investors. This includes maintaining accurate records of securities ownership, handling corporate actions such as dividend payments and stock splits, and ensuring the integrity of securities holdings.

Corporate Actions Processing: Midclear manages corporate actions on behalf of issuers and investors, including dividend payments, redemptions, stock splits, reverse splits, rights issues, and mergers and acquisitions. By efficiently processing corporate actions, Midclear helps ensure accurate entitlements for investors and maintains the integrity of the securities market.

Registrar Services: Among the services that Midclear provides is the management of the shareholders registry, according to Law number 308 enacted by the Lebanese Parliament on 03/04/2001. This Law stipulates in its Article one that all bank shares shall be registered and its shareholder register managed by Midclear SAL. In addition, Midclear acts as registrar for some commercial companies and some Common Placement Funds, either listed or not listed on the Beirut Stock Exchange. The Registrar function includes the following responsibilities: Change of ownership, pledging, un-pledging, freeze initiated by the court or for guarantee purposes and providing statement of ownership.

Administration of Mutual Funds: Midclear acts as the Custodian and Administrative agent for Mutual Funds. This service includes fund's accountancy and administration, financial statements and calculating the Net Asset Value

National Numbering Agency: In order to better serve the securities industry and the financial markets, Midclear

was appointed by the Central Bank of Lebanon on 2 July 2003 as the sole National Numbering Agency for securities issued in Lebanon. This means that Midclear is the sole organization entitled to allocate ISIN for all Lebanese securities issued in Lebanon.

Regulatory Compliance: Midclear ensures compliance with regulatory requirements and industry standards governing securities clearing, settlement, and custody services. This includes adherence to international best practices, AML regulations, anti-bribery and corruption (ABC) regulations and KYC requirements.

Technology Solutions: Midclear invests in technology infrastructure to support its operations and provide efficient and reliable services to market participants. This includes connectivity solutions, software applications for trade processing and a Disaster Recovery site outside Lebanon which is fully operational.

These are some of the key products and services offered by Midclear in the areas of depository and financial services. It's worth noting that the company may continue to innovate and expand its offerings in response to market dynamics and evolving customer needs.

MIDCLEAR'S VISION AND PLANS IN CONNECTION WITH RECENT DEVELOPMENTS

In recent years, Lebanon's capital markets have faced significant challenges due to economic instability, political turmoil, and the impact of the COVID-19 pandemic. Despite these challenges, the future of Lebanon's capital markets looks promising, with ongoing efforts to enhance market infrastructure, attract foreign investment, and promote financial innovation. Key areas of focus include (but not limited to) the following:

Technology and Innovation: Midclear may prioritize investments in technology and innovation to enhance the efficiency, reliability, and security of its clearing, settlement, and custody services. This could involve leveraging blockchain technology, artificial intelligence, and other emerging technologies to streamline processes and reduce operational risks.

Market Infrastructure Upgrades: Midclear may

collaborate with regulatory authorities and market participants to modernize Lebanon's market infrastructure, including improvements to trading platforms, post-trade systems, and risk management frameworks. This could help attract foreign investment, improve market liquidity, and enhance the overall competitiveness of the Lebanese capital markets.

Risk Management and Compliance: Given the increasing focus on risk management and regulatory compliance in the wake of global financial crises and heightened regulatory scrutiny, Midclear may strengthen its risk management practices and compliance frameworks. This could involve adopting international best practices, enhancing cybersecurity measures, and ensuring compliance with evolving regulatory requirements.

Expansion of Services: Midclear may explore opportunities to expand its range of services beyond traditional clearing, settlement, and custody functions. This could include offering new products and solutions such as securities lending, collateral management, central counterparty, guarantee fund and post-trade analytics to meet the evolving needs of market participants and drive revenue growth.

Market Integration Initiatives: Midclear may participate in regional and international initiatives aimed at promoting market integration, interoperability, and cross-border connectivity. This could involve collaborating with other CSDs and financial market infrastructure providers to facilitate seamless cross-border securities transactions and improve market efficiency.

Sustainability and ESG Initiatives: With increasing investor focus on ESG factors, Midclear may incorporate sustainability principles into its operations and service offerings. This could involve promoting responsible investing, supporting ESG disclosure standards, and facilitating the issuance and trading of green and social bonds.

Client-Centric Approach: Midclear may prioritize a client-centric approach, focusing on delivering value-added services, enhancing customer experience, and building long-term relationships with its clients. This could involve offering tailored solutions, providing responsive customer support, and soliciting feedback to continuously improve its products and services.

These are speculative areas where Midclear may be focusing its vision and plans in connection with recent developments.





Stock Exchange of
Mauritius

OVERVIEW OF THE CENTRAL DEPOSITORY & SETTLEMENT CO. LTD (CDS) MAURITIUS

The Central Depository & Settlement Co. Ltd (CDS) was established by the Stock Exchange of Mauritius in 1996 to provide centralized depository, clearing and settlement services for the Mauritian equity and debt markets. The company became operational in January 1997. The setting up of CDS has brought about prompt and efficient clearing and settlement of trades while at the same time reducing some of the inherent risks in the process. The CDS has brought the Mauritian stock market on an equal footing with developed markets as far as the clearing and settlement infrastructure is concerned.

The CDS complies with the international standards on depository, clearing and settlement systems, namely the Principles for Financial Market Infrastructures (PFMIs) issued by the Committee on Payment and Market Infrastructure (CPMI) of the BIS and the IOSCO, and the G30 Recommendations. The disclosure regarding compliance with the PFMI is published on the website of CDS.

The CDS qualifies as an Eligible Securities Depository under the US Investment Company Act Rule 17f-7. This rule requires US registered investment companies to hold their securities only in Eligible Securities Depositories to reduce risks associated with offshore investments. The company participates on a regular basis in the Depository Information Gathering Project of the Association of Global Custodians (AGC). The objective of this project is to assist the members of the AGC in meeting their regulatory obligations under the U.S Investment Company Act Rule 17f-7 which sets forth the circumstances under which U.S investment companies may hold securities through the facilities of non-U.S securities depositories. The AGC questionnaire can be viewed on the web site of CDS (www.stockexchangeofmauritius.com/cds).

The CDS is also covered by the Thomas Murray Capital Market Infrastructure Risk Ratings Service. The ratings service of Thomas Murray provides an independent, objective analysis of local post trade capital market controls and procedures. It examines the extent to which each local infrastructure minimises recognised risks and maximises asset safety for investment.

The CDS provides its services within an online computer system with Participants having direct online access to the system. Trades are settled within a rolling T+3 settlement cycle on a strict DvP basis. Final and irrevocable transfer of funds occurs through the central bank with same-day funds on settlement date.

The CDS has established a Guarantee Fund to guarantee the settlement of transactions in the event of a default by a Participant. The Fund is managed by a Business Conduct Committee that monitors operations relating to risk management. The CDS Board of Directors appoints the five members of this committee, three of whom, including the Chairman are independent (not Directors or Employees of CDS or of its Participants). The composition of the committee ensures that independent views from qualified and respected professionals are expressed on key aspects of the CDS operations.

External independent auditors perform both financial and operational audits of the CDS on an annual basis. An information systems security audit is carried out by audit firms specialized in IT security, on a regular basis. Internal auditors perform operational audits on a monthly basis.

The CDS has been actively involved in the implementation of trading and depository systems at a number of African stock exchanges and depositories. The CDS has formed part of a consortium that has implemented trading and settlement systems in 6 African countries. The Managing Director of CDS was the systems vendor's Project Director for all the above projects. The CDS has also provided consultancy and training services to regulators in Africa. In December 2014, CDS provided consultancy services to an African exchange for the audit of its ATS and CSD system. As independent consultant, the CDS has spearheaded the implementation of an automated trading system at the one exchange which went live in July 2015 and then supervised the replacement of the trading and depository systems at the another exchange which went live in December 2017. Recently, the CDS managed the implementation of the new ATS at the Stock Exchange of Mauritius Ltd which went live in May 2022.

The CDS also offers IT outsourcing services to the Stock Exchange of Mauritius Ltd for the technical management

of the automated trading system. The CDS also provides a registry system to registrar and transfer agents, on an application service provider basis.

The CDS is also active in the digital assets space. The Managing Director is a member of the Product Advisory Committee (PAC) of the Digital Token Identifier Foundation (DTIF). DTIF's mission is to provide the golden source reference data for the unique identification of digital tokens based on ISO's new standard for digital assets, ISO 24165. DTIF issues and maintains these digital token identifiers (DTIs) on non-profit basis, with the aim of increasing transparency in the digital asset space through the creation of a core reference data set based on open data principles and available as a public good. The main objectives of the PAC are to:

- Provide product stewardship to the DTIF Board
- Offer guidance on the application and utilization of DTIs
- Advise DTIF on the implementation of future product enhancements

The PAC also discusses such topics as how future regulatory changes will impact the crypto and digital asset market landscape. The PAC comprises over 20 members, representing a cross-section of crypto and digital asset market stakeholders, including global institutional investors, standard setting bodies, academics, asset managers and market infrastructure providers from various regions globally.

The Managing Director of CDS is also an active member of the Task Force set up by the ANNA and the DTIF. The work done by the Task Force has led to the signature of a MOU between ANNA and DTIF in October 2023. ANNA is a global member association seeking to foster standardisation within the financial industry and ISO Registration Authority for ISO 6166 ISINs. The MOU will allow the phased introduction of new ISINs to identify crypto assets to further optimise and automate more comprehensive data sets within both ISO standard registries.



MAROCLEAR
CSD MOROCCO

HISTORY AND DEVELOPMENT OF CAPITAL MARKETS

Since the 19th century, Morocco's capital market has evolved significantly, shaped by its geostrategic significance to imperial powers during this period. The Moroccan Securities Museum at MAROCLEAR headquarters preserves historical securities from this era, reflecting the market's early stages.

In 1929, the "Office de Compensation des Valeurs Mobilières" was established in Casablanca, marking the nascent stages of the Casablanca Stock Exchange. This office evolved into the "Office de Cotation des Valeurs Mobilières" in 1948.

In 1967, a royal decree established the "Bourse des Valeurs" as a public institution, providing it with a structured legal and technical framework. This period laid the foundation for the development of the modern Casablanca Stock Exchange.

During the 1980s, Morocco faced a severe economic crisis characterized by high inflation and persistent budget deficits. This turbulent period underscored the need for comprehensive economic reforms, including significant changes in the capital markets.

In response to these economic challenges, Morocco embarked on a series of reforms in the 1990s aimed at stabilizing the economy and modernizing the financial sector. These reforms encompassed economic liberalization, privatization of state-owned enterprises, and the establishment of a robust regulatory framework to enhance market transparency and investor confidence. In 1993, three foundational laws were enacted to regulate the stock market, leading to the establishment of the Société de la Bourse des Valeurs de Casablanca and the Conseil Déontologique des Valeurs Mobilières, now known as the Moroccan Capital Market Authority (AMMC).

These reforms also included the creation of a regulatory framework for market players such as brokers, custodians, and asset managers.

In 1997, these efforts culminated in the establishment of Maroclear. As a CSD, Maroclear's initial mission was to secure the transition to a paperless system by dematerializing existing securities and adopting scripless securities holding. Since then, Maroclear has played a pivotal role in the Moroccan capital markets, ensuring efficient clearing and settlement of securities transactions, providing secure custody of securities, and implementing

state-of-the-art technologies to streamline operations and enhance market efficiency.

In the 2000s, further enhancements to market infrastructure, including electronic trading systems and robust DVP mechanisms, bolstered the market's appeal and contributed to economic growth and development. Over this period, MAROCLEAR expanded its operations to include all classes of securities within three years and introduced settlement in central bank money for DVP transactions.

Over the past two decades, Morocco's capital market has diversified significantly with the introduction of various financial instruments, appealing to both domestic and international investors. New products such as Real Estate Investment Trusts (OPCI), Venture Capital Collective Investment Schemes (OPCC), and Risk Capital Collective Investment Schemes (OPCR) have been introduced to cater to specific investor needs in real estate, venture capital, and risk sectors, respectively.

Simultaneously, the regulatory framework has been strengthened to support the establishment of critical financial market infrastructures. This includes the CCP as well as the establishment of a derivatives market to facilitate hedging, increase liquidity and secure long-term investment.

These progressive reforms have positioned Morocco's capital market as a cornerstone of economic growth and financial innovation, offering a dynamic and secure environment for investment and development.

SERVICES OF MAROCLEAR

Custody

MAROCLEAR ensures the custody of securities in dematerialized form. Securities in custody include a wide range of asset classes: Equities, Government bonds, corporate bonds, treasury bills, negotiable debt securities, mutual funds, mortgage-backed securities OPCC, and OPCI. All holdings are 100% scripless, and securities can be issued in bearer or registered forms.

In case of registered forms additional services is offers through a STP process that allow issuer to maintain updated its shareholders' register.

Post-trade & Settlement MAROCLEAR ensures accurate settlement processes for domestic markets through fully automated, straight-through post-trade processing, with cash settlement in central bank money.

Stock Exchange Trades: MAROCLEAR provides an alignment service (notice of order execution), enabling custodians to confirm their orders based on executed trades at the stock exchange. Settlement is executed on T+3 in accordance with the BIS 2 Gross/Net Settlement (GNS) model.

OTC Transactions: MAROCLEAR offers comprehensive matching services, with real-time settlement on T+0, following the BIS 1 Gross/Gross Settlement model.

Repurchase Agreements Trades: MAROCLEAR facilitates Trades' matching, collateral selection, collateral substitution, Repo's termination, and automatic repurchase settlement. Settlement is real-time on T+0, following the BIS 1 Gross/Gross Settlement model.

Corporate Actions

MAROCLEAR efficiently handles both mandatory and voluntary corporate actions, with the execution of these events done through coupon disbursement. These corporates actions include dividend, interest, redemption, etc.

MAROCLEAR ensures the payment of cash payment or securities through the transfer of coupons par participants to paying agent.

In addition, MAROCLEAR execute automatically other events that affect all beneficial without requiring their intervention from participants, include but not limited to merge, split and conversion

Numbering Agency

As a National Numbering Agency, MAROCLEAR assigns ISIN to any securities issued in its books.

MAROCLEAR codify and classify instruments in compliance with the Inter- national Securities Identification Number (ISIN - ISO 6166), Classification of Financial Instruments (CFI - ISO 10962) and Financial Instrument Short Name (FISN - ISO 18774).

Vision and Future Prospects In today's rapidly evolving financial landscape, digital transformation is not merely an option but a necessity. As the Central Securities Depository

of Morocco, Maroclear is dedicated to leveraging cutting-edge technology to enhance our operations and service delivery. Our robust IT platform lays a strong foundation for this transformation. By integrating advanced digital tools and processes, we aim to create a seamless, efficient, and secure environment for all our stakeholders. This transformation will enable us to meet the dynamic needs of the market, ensuring we remain at the forefront of the financial services industry in Morocco.

Diversifying our services and products is essential for staying competitive and addressing the diverse needs of our clients. We recognize the importance of expanding our offerings beyond traditional boundaries to include high-value-added services. By diversifying, we can meet a broader range of client needs, mitigate risks, and tap into new revenue streams. This approach will strengthen our market position and ensure our long-term sustainability and growth.

Operational efficiency is central to our strategy. We have identified significant opportunities to optimize our current processes and workflows. By harnessing the power of digital tools, we can streamline operations, reduce costs, and improve service delivery. Our goal is to create an agile and responsive organization that quickly adapts to market changes and client demands. Enhanced operational efficiency will allow us to deliver superior value to our clients, partners, and the broader financial ecosystem.

Innovation drives our vision for the future. At Maroclear, we believe that continuous innovation is essential for sustainable growth and success. We are committed to fostering a culture of creativity and forward-thinking within our organization. By leveraging the latest technological advancements and exploring new business models, we aim to develop innovative solutions that meet the evolving needs of our clients. Our focus on innovation will enable us to offer high-value-added services, differentiate ourselves in the market, and create new opportunities for growth.

Data is a critical asset in our strategy. Effective data management and analysis are fundamental to informed decision-making and operational excellence. By enhancing our data capabilities, we can gain deeper insights, improve risk management, and provide more personalized and

efficient services to our clients. Leveraging data effectively will drive our digital transformation, support our innovation efforts, and enhance our overall efficiency.

As the central securities depository of Morocco, our core principles stakeholder-centric, service-oriented, compliance-driven, digitally and data-driven, and human-enabled—form the foundation of our strategic vision. By adhering to these principles, Maroclear is committed to leading the way in the financial services industry and ensuring the continued growth and prosperity of our clients and the Moroccan market.



Headquarter in Casablanca Finance City

VISION AND FUTURE PLANS

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HISTORY AND DEVELOPMENT OF CAPITAL MARKETS IN NIGERIA

Nigeria, the most populous country in Africa and one of the continent's largest economies, has a well-established and dynamic capital market. The Nigerian Stock Exchange, now known as the Nigerian Exchange Group (NGX), and the Central Securities Clearing System (CSCS) are at the heart of Nigeria's capital market infrastructure. These institutions play critical roles in the mobilization and allocation of capital, supporting economic growth and development in the country.

Nigeria's Central Securities Clearing Systems

CSCS is Nigeria's premier Financial Market Infrastructure, licensed by the Securities and Exchange Commission to deliver depository, clearing, and settlement services for financial assets in the Nigerian Capital Market. Commencing operations in 1997, CSCS was established to address the growing complexities and demands of Nigeria's financial sector, which was characterized by manual and fragmented processes.

Prior to CSCS's inception, the Nigerian Stock Exchange, founded in 1960, played a pivotal role in the country's

financial landscape. However, as the market evolved, it became clear that a sophisticated and centralized system was necessary to support the increasing volume of transactions and ensure efficiency.

Since its establishment, CSCS has made significant strides in enhancing the Nigerian capital markets. In 2016, CSCS supported the market's transition to a fully dematerialized system, converting all existing share certificates into electronic copies. This was a major milestone in modernizing the market infrastructure. Additionally, CSCS has been endorsed by the Global Legal Entity Identifier Foundation as a Local Operating Unit for issuing LEI codes in Nigeria. It is also recognized as the sole National Numbering Agency in Nigeria, licensed by ANNA to issue ISINs. In 2019, CSCS achieved an A+ rating on the CPMI-IOSCO risk assessment conducted by Thomas Murray and became the first institution in the Nigerian capital market to be certified compliant with both the Nigeria Data Protection Regulation (NDPR) and the General Data Protection Regulation (GDPR). These achievements underscore CSCS's commitment to maintaining high standards of risk management and regulatory compliance.

Since 2020, CSCS has emerged as a thought leader in cybersecurity, hosting a dedicated cybersecurity conference and continually investing in technology to bolster its services. This focus on cybersecurity reflects CSCS's proactive approach to addressing the evolving challenges in the financial sector. Through its ongoing innovations and strategic investments, CSCS continues to play a crucial role in shaping the future of Nigeria's capital markets and supporting its growth on an international scale.

PRODUCTS AND SERVICES

CSCS offers a comprehensive suite of services designed to enhance the efficiency, security, and accessibility of the capital markets. Through these products and services, CSCS continues to drive innovation and efficiency, reinforcing its position as a vital component of the Nigeria's financial infrastructure.

Core Services

Depository Services: CSCS operates as Nigeria's premier central depository, where securities are held electronically, simplifying the management and transfer of ownership. Its depository services include:

- 1. Securities Depository:** By maintaining securities in electronic form, CSCS eliminates the need for physical certificates, streamlining the trading process and reducing the risks associated with paper-based transactions.
- 2. Account Management:** CSCS provides both individual and institutional investors with depository accounts to hold their securities. This system allows investors to not only track ownership and transactions but also directly manage their assets without recourse to market intermediaries.
- 3. Issuer Services:** CSCS provides a comprehensive suite of issuer services such as corporate actions, including stock splits, and rights issues, ensuring these processes are executed smoothly and accurately. The system also maintains detailed records of securities ownership, capturing changes from transactions, transfers, and corporate actions. This integrated approach supports transparency and the precise tracking of shareholder records.

Securities Clearing and Settlement

- 1. Clearing Services:** CSCS facilitates the clearing process by matching and confirming securities transactions before settlement. This crucial step involves verifying transaction details to mitigate risks and ensure the integrity of trades.
- 2. Settlement Services:** The settlement process managed by CSCS ensures the actual exchange of securities and funds between buyers and sellers. By overseeing the transfer of securities to the buyer's account and ensuring payment to the seller, CSCS completes trades efficiently and securely.

Products

- 1. Collateral Management:** CSCS offers collateral management services that enable investors to leverage their holdings within the depository to enhance value and manage risks effectively.
- 2. API Services:** To support the operational infrastructure of the securities market, CSCS provides advanced technology solutions, including bespoke portals and API integrations. These services facilitate seamless interaction between CSCS and key stakeholders, enhancing market connectivity and efficiency.
- 3. Data Services:** CSCS offers access to both real-time and historical data on settled trades. This data is essential for investors and market participants to make informed decisions and analyse market trends.
- 4. Electronic Document Management Systems:** Building on its expertise in dematerializing physical share certificates, CSCS supports organizations in digitizing their physical documents. This service helps public and private entities manage and store documents in a central repository, improving accessibility and reducing reliance on physical storage.
- 5. Sukuk Sub-Registrars and Transfer Agents:** CSCS plays a critical role in supporting the Federal Government by acting as sub-registrars and transfer agents for Federal Government securities. This includes aggregating registers and managing coupon payments to ensure that retail investors benefit from their investments in FGN instruments.

VISION AND PLANS

Our roadmap for the upcoming year is centred on pivotal enhancements and innovations designed to drive efficiency, value, and growth within Nigeria's capital markets. We are focused on several key areas:

Operational Efficiency and Enhancement

Our vision is to continuously evolve and adapt to the changing dynamics of the capital markets, ensuring that CSCS remains a leading force in driving market efficiency, security, and innovation.

We are dedicated to supporting the revitalization of the primary market, starting with the ongoing recapitalization of Nigerian banks. This initiative is crucial for strengthening the financial system and promoting growth within the market. Our focus will be on significantly improving operational efficiency and service quality across our offerings. We are committed to re-engineering our business processes to enhance turnaround times in asset servicing and settlement operations. This effort aims to streamline operations, boost service delivery, and ensure greater efficiency in all facets of our services.

We will also enhance our self-service channels, which

are designed to improve both customer experience and workforce productivity. By refining these platforms, we aim to provide more effective and responsive services to our stakeholders. Our commitment to cybersecurity remains unwavering. We will continue to invest in advanced cybersecurity measures to safeguard our systems and maintain a secure environment for all market participants.

In addition, we are leading an initiative to shorten the settlement cycle from the current T+3 days window. This reduction will improve market efficiency and speed up transaction processes, benefiting all market participants.

Income Diversification Plans

To further diversify our income streams, we are committed to enhancing our existing ancillary services and exploring new product offerings.

We will expand our electronic document management solutions to improve project delivery efficiency. This expansion will streamline the handling and accessibility of documents for a wider range of clients. Furthermore, we will significantly upgrade our collateral management services, which will enhance asset servicing and market liquidity. These enhancements are expected to create



substantial value for stakeholders and optimize asset utilization.

Our strategy includes deepening the market adoption of our current services by refining them to deliver greater value across all segments. We also recognize opportunities to introduce new products tailored to the needs of buy-side market participants and issuers. These new offerings are designed to generate stable, annuity-type income that is less affected by market volatility and liquidity fluctuations. Additionally, we plan to support private market transactions with secure custody and depository services, adhering to regulatory and risk governance standards.





ESTABLISHMENT AND DEVELOPMENT OF SAOC WITH REFERENCE TO THE HISTORY OF CAPITAL MARKETS IN OMAN

Muscat Clearing & Depository (SAOC) Company has been established according to the Royal Decree no. 82 / 98 issued in November, 25, 1998 requiring the establishment of Muscat Depository, Securities Registration and define its terms of reference, in terms of actual operations began on February 1, 1999, It is an Omani closed joint – stock company and its issued capital (5 million OMR), Since MSX owns 79.88% of the company capital, investment as well as brokerage companies and the banks own 20.12%.

- **Vision:** To focus on strengthening the investment environment in the country and the region, by ensuring stability and creating efficiencies in an ever-expanding Financial Services Industry.
- **Mission:** To ensure integrity and safety of the financial markets and systems as a whole. To promote solutions that systematically reduce risks, enhance operating efficiency and minimize cost.

➤ Goals:

- Establishment of a complete data input in the construction of a unified deposit with a high efficiency financial securities.
- Using global standards used in developed capital markets.
- Reducing the risks resulting from the completion of Exchange shares to ensure the safety of work and the regularity and the securities dealers' confidence.
- Develop fair and fast secure internal regulations, instructions and procedures for the development of all services of the company, in order to achieve easy and efficient measures to ensure the rights of all dealers in securities.
- Contribute to disclosure by working with regulatory agencies and legislation, to provide information and data, with required speed and precision.

CURRENT PRODUCTS AND SERVICES TO DIFFERENT STAKEHOLDERS BY SAOC

Financial Services Authority

- Provide with reports on dealings and dealers in the Stock Exchange
- Assist in monitoring of dealings made by directors of joint stock companies
- Contribute to the development of monitoring operations over dealings in listed securities with the Stock Market and the Depository company
- Contribute to the development and enhancement of confidentiality in investment in Omani securities that are listed in the Muscat Stock Exchange

Muscat Stock Exchange

- Ensure conveyance of ownership amongst the dealers as per prevailing regulations of the Muscat Stock Exchange
- Control foreign investment operations and its percentage in a single company, so as to be in compliance with the prevailing regulations of the companies and the governing laws
- Control the percentages of investors' ownership
- Contribute to the transparency operations through providing data and the analytical statistics
- Facilitate collection of information, statistics and reports over securities

Investors

- Registering new investors (issuance of investor's number for each investor)
- Allotment of unique number to each investor in the securities
- Updating investors' data
- Providing investors with statements of their holdings and statements of their dealings in securities
- Family Transfers within (first degree)
- The inheritance Transfers
- Transfers of dividing common property securities

- Trustee transfers of securities
- Transfers between accounts that belong to the same person
- Responding to investors' queries about their holdings that are registered with the company, as well as their investments affairs such as:
 - Distribution of cash and shares dividends – merger of companies – liquidation of companies ... etc.
 - Providing a unified center to enter joint stock companies registers that are listed in the Muscat Stock Exchange, for the easiness of tracing by the investors of their investments in the Market from a single point

Brokers

- Providing daily trading data for the broker
- Notification the broker with pending transactions, immediately upon implementation of the deal
- Amend the deals
- Fragmentation of special orders
- Addressing outstanding deals
- Notification the broker with transactions executed after the settlement of equity
- Notification the broker with rejected transactions by custodian
- Notification the broker with fines of pending deals
- Notification the broker the obligations upon the settlement (settlement day)
- Notification the broker of completion settlement Cash and equity operations
- Execute liens favoring brokers, based on decisions issued by concerned bodies

Central Bank Of Oman

- Act as the central depository body of the records pertaining to the government bonds issued by the government of the Sultanate
- Distribute interest on the bonds due to its holders as per the distribution dates
- Distribute principal value of the redeemed issues

- Provide the central bank with the data pertaining to the bonds
- Provide the central bank with data on investors in the domestic banks listed on the company's registers, to confirm compliance with the central bank's laws and regulations
- Repurchase of the bond transfers (REPO)

Lenders

- Executing and lifting pledges favoring banks and financing companies, as per the prevailing procedures, to ensure pledgees' rights
- Provide pledgees with necessary data and reports on shares pledged to them
- Follow up receipt of pledgees of pledged cash and shares dividends as per pledge agreements
- Electronic transfer of the dividends on pledged shares to banks accounts of the lenders

Banks

- Notification the settlement banks with net liabilities and receivables for each Member on the operations carried out in trading day (T) to the broker on the settlement
- Notification the settlement banks with completion of cash settlement

Custodians

- Convert GDRs
- Securities transfers between custodians
- Provide trading data for client of custodian
- Provide a mechanism (confirm / reject) of securities for clients of the Custodian
- Print the assets of clients report at the end of the day

Judicial & Monitoring Authorities

- Execution of judgments and decisions issued by the judicial and monitoring authorities that are empowered with the authority to impose attachment pursuant to the Omani prevailing laws

RECENT DEVELOPMENTS AND FUTURE PLANS

The Company strives to obtain the ISO (9001-2015) certificate for the Quality Management System to raise the company's classification by applying global policies and principles for the quality of the system followed by the company, thus helping to reduce the level of risks.

The Company signed a Non-Disclosure Agreement with Euroclear to proceed with the implementation of the second phase, which relates to facilitating the listing and trading of Omani securities currently listed in international financial markets as well as those that will be issued later, so that they are listed on the Muscat Stock Exchange. During the next phase, the door will be opened for foreign investors to enter the local market through an Omnibus Account in the name of "Euroclear Institution" with Muscat Clearing and Depository Company. This comes as part of the capital market sector's keenness to enhance the efficiency of the local market and increase market depth by increasing listings and diversifying sources of financing and other financial instruments. This, in turn, will increase the creation of alternative opportunities for issuers and external investors, which is what the financial institutions in the Sultanate seek to achieve in line with the Oman Vision 2040.

Development of the platform for managing general meetings of the joint-stock companies and funds listed on the stock exchange, as well as closed companies. This was achieved through the activation of the dividend distribution service, which transformed dividend distribution contracts electronically instead of manual contracts. This contributed to collecting the fees of the services provided by the Company in advance before the assembly is held.

The Company distributed annual, interim dividends, and bond and sukuk proceeds on behalf of the issuers during 2023 with a value of distributions amounting to (1,368,468,549) Omani Rials. The number of issuers who distributed their profits through the Company reached (63) public joint-stock companies, (22) closed joint-stock companies and (53) government and private bonds and sukuk.

The Company's Board of Directors adopted the Company's strategy for the next five years (2024 - 2028), which was prepared by the global consulting firm. The strategy included new service projects that the Company will provide during the coming years in stages. The current organizational structure of the Company was also reshaped to keep pace with the Company's new strategy.

The Company will introduce custodians as clearing members to ensure the settlement of transactions executed by their clients in both cash and share aspects with the company directly. This will facilitate the application of the DVP principle.

comply with the listing requirements mandated by the Central Bank of Oman to facilitate the listing of Treasury Bills. The approved new company strategy included the listing of Treasury Bills on the stock exchange.

The Company seeks, in coordination with the Authority and the Stock Exchange, to accelerate the start of implementing the short selling service through the activation of the (SLB) service.

The Company is preparing the technical requirements for the new Central Depository System instead of the current system (UCSD). An expert was appointed to work for the Company to assist in this project. The new system will include all the features and characteristics in place within the current system, in addition to the

necessary improvements and modifications in line with the requirements of the strategy approved by the Board of Directors of the Company, as well as in line with the strategy of the Stock Exchange and the requirements for the development of the Omani capital market sector in general.

Launch of the second phase of the E-IPO, which will include the provision of new electronic features related to the issuance system through which requests are submitted to change the legal form of public joint-stock companies, as well as the mechanism for submitting prospectuses related to the establishment of public joint-stock companies, commercial bonds, sukuk, and rights of preference in the event of an increase in capital. Through the platform, new communication channels were provided with licensed IPO banks and issue managers, which will contribute to completing IPO operations to achieve the goals aspired by those in charge of the capital market sector in the Sultanate. On the other hand, the issuance management platform includes the price-building process when offering the security for public subscription and allows any entity licensed by the Authority to enable it to follow up on the price building procedures, starting from submitting the prospectus application to the completion of the listing of the security in the stock exchange.





ESTABLISHMENT AND DEVELOPMENT OF PEX

The Palestine Exchange (PEX) was established in 1995 as a private company, with a paid-in capital of USD 10 million, and turned into a Public Shareholding Company, finally listed for trading in 2012 to be the second listed Arab stock exchange.

PEX aims to be a local financial market that meets international standards by providing innovative services to its customers. It offers a fair, transparent, and secure trading environment and ensures the safety, ease, and timely of transactions through services such as electronic IPOs, listing, and disclosure.

PEX listed companies are divided into five sectors: banking and financial services, insurance, investment industry and services. Shares trade in Jordanian dinars and US dollars. PEX member securities companies (brokerage firms) operations are extended across the West Bank and Gaza Strip and authorized custodians are available to work on behalf of foreign investors.

PEX is a member of the FEAS and WFE and is listed in the most important global financial indicators, it is among the Frontier Markets in the FTSE indices, and has an independent index for Palestine in both Morgan Stanley and Standard & Poor's.

CURRENT PRODUCTS AND SERVICES

- Provide brokers with electronic platform for opening trading account at CSD for their clients in compliance with AML regulations and related KYC instructions
- Modifying investor's data using the electronic platform.
- Issuing securities ownership certificate for investors.
- Off floor transfer such as:
 1. Transfer securities between relatives (Family transfers).
 2. Inheritance transfer
 3. Transfer for the purpose of Donating securities.
 4. Transfer securities for the purpose Will.
 5. Transfer for the purpose of granting securities for Endowment whether charitable or descendants
 6. Transfer for the purpose of partition of securities of Joint ownership
- Moving Investor's securities from their CSD registry accounts to their accounts with brokers.
- Moving securities of an investor from a broker to another broker, and so for custodians.
- Pledge of investors' securities in favor of pledgees (Banks).
- Unpledged investors' securities.

- Lien of securities in favor of courts and get it out of lien.
- Electronic balance inquiry in favor of investors.
- Corporate actions such as stock dividends, stock split, stock reduction, capital increase, Mergers etc.
- Clearing calculation of brokers and custodians' financial obligations
- Handling cash settlement of brokers and custodians' obligations through Palestine Monetary Authority besides settlement of securities based on a semi-simultaneous DVP solution.
- Provide Issuers and participants (brokers & custodians) with an electronic platform to get their own reports in terms of share books and client's balances.
- Provide the electronics service of E-IPO to allow issuers to conduct their initial and secondary public offerings.

RECENT DEVELOPMENTS AND FUTURE PLANS

- PEX seeks to list new investment tools in the securities and stock market sector, in order to meet the local investors' aspirations in addition to keeping up with all global developments in this important sector.

- PEX seeks to expand its services to cover new locations, as PEX pays serious attention to the Palestinian citizens of occupied 1948 lands, especially in relation to investment in securities and stock shares, or with regards to listing new public joint stock companies in PEX. It plans to consolidate this approach through launching awareness campaigns and marketing meetings. Moreover, PEX seeks to intensify its presence and awareness activities in certain areas such as the south of the West Bank and Gaza Strip through targeted campaigns.

- PEX aims to increase market depth by listing new companies from various important economic sectors.

- PEX believes in the importance of the youth, therefore it seeks and will continue to seek providing investment tools of interest to the youth and suitable for their needs and aspirations.

- Contributing to rehabilitating and qualifying the boards of directors of listed companies by targeting them with the appropriate training programs.

- PEX works on activating its relations and communication with the public through launching

different tools and means for achieving better results and outcomes.

- Activating international participation, regional and global presence, given that the financial sector is part of the global investment system with accelerating changes.

- Encouraging research related to the sector, especially those contributing to answering several questions and doubts, and supports future strategic aspirations.

Projects under development

- ETFs on PEX

• Establishing an investment fund to create new investment opportunities and enhance market liquidity.

• The targeted ETF will consist of a basket of shares of companies listed on PEX with highest dividend return

• PEX average dividends return were around 6% for 2022

• This ETF will be a convenient option for investors, as it will mimic an index consisting of the Palestinian companies that distribute the highest dividends. This will relieve investors from the burden of individually tracking and managing stocks.

• Women, retiree, workers will be targeted to invest in ETF

- Settlement Guarantee Fund

• PEX adopts DVP method for trade settlement, Cash settlements are settled on a net basis while securities settlement are settled on a gross basis. Trades are settled on a T+2 settlement cycle.

• Project purpose is to improve settlement cycle functionality through Settlement Guarantee Fund.

• Benefits include elimination of cash settlement failure, minimizing trade settlement risks, activating trading, and creating opportunities to attract investments.

• Beneficiaries include investors, brokers, custodians, Palestine Exchange, and Palestine Capital Market Authority (PCMA).

• Roles of Settlement Guarantee Fund include ensuring settlement obligations, encouraging investments, covering cash shortfall, and granting facilities to market contributors.

• The implementation of this project will help upgrade Palestine market's classification to an emerging market.



ABOUT EDAA

The Securities Depository Center Company (Edaa) was established in 2016 as a closed joint stock company in accordance with the Saudi Companies Law issued by Royal Decree No. M/3 dated 28/01/1437, with a capital of SAR 400,000,000 divided into 40,000,000 shares, with a nominal share value of SAR 10. Edaa is fully owned by Saudi Tadawul Group (STG).

Edaa aims to achieve the strategic objectives of the financial market in terms of developing the infrastructure and implementing the resulting procedures to execute transactions in line with international standards.

Edaa enhance the efficiency of services related to securities deposit and ownership registration by developing a more streamlined environment that promotes excellence in all sectors related to the financial market. Edaa supports the first objective of the Financial Sector Development Program, which is to ensure the establishment of an advanced capital market.

CEO REMARKS

“Edaa is rapidly evolving beyond its core role, driving the Saudi Capital Market’s accessibility and growth. We are

building a stronger financial infrastructure, diversifying revenue streams, and expanding geographically beyond exchange trading. Domestically, we are innovating in funds, bonds, and securities financing.”

Saudi Tadawul Group "STG" Journey

1954

Commenced as an informal financial market.

1983

Ministerial committee was formed to regulate and develop the market.

2003

Came under the supervision of the CMA as the sole regulator.

2007

Incorporation of the Saudi Stock Exchange (Tadawul) as the sole authorized entity for securities exchange in the Kingdom of Saudi Arabia.

Establishment of the "Main Market".

2008

CMA approved the entry of foreign investment through swap agreements.

2009

Establishment of the fixed-income market.

2010

ETF platform.

2015

Qualified foreign investors (QFIs) are allowed to invest through the QFI framework.

Launch of the Independent Custody framework in alignment with the best international practices and listing requirements for international indices.

The Saudi Exchange deploys "X-Stream" trading platform in cooperation with Nasdaq.

2016

Incorporation of Edaa.

Launch of the REITs platform.

2017

Establishment of Nomu – Parallel Market for the SME sector.

Agreement with Nasdaq to revamp the Exchange's post-trade infrastructure.

Launch of securities borrowing and lending and short selling frameworks.

Registration of all government bonds and Sukuk in Edaa.

2018

Incorporation of the Securities Clearing Center Company (Muqassa).

MSCI, S&P, and FTSE announce the intention to include the Exchange in their emerging markets indices.

Listing of government Sukuk and bonds on the debt instruments market.

2019

The Exchange became one of the world's 10 largest exchanges in terms of total market capitalization, with the listing of the Saudi Arabian Oil Company (Saudi Aramco).

Complete inclusion of the Exchange in MSCI and S&P emerging markets indices, and partial inclusion in the FTSE Russell Emerging Index.

Allowing foreign listed companies to list (on a dual listing basis) on the Main Market.

2020

Muqassa obtained the CMA license as a qualified central counterparty (QCCP).

Activated clearing derivatives with the launch of the derivatives market.

Funds allowed to be listed on Nomu – Parallel Market.

Completed the inclusion of the Exchange in the FTSE Emerging Index.

Edaa launches REPO collateral transfer services.

Listing for the first time Sukuk and ETFs.

Incorporation of Tadawul Advanced Solutions Company (WAMID), a subsidiary focused on technology and innovation.

2021

The Saudi Stock Exchange is reorganized, whereby the Company is converted into a holding company and changes its name to Saudi Tadawul Group Holding Co. and established a new company under the name Saudi Exchange to assume all listing and trading services.

Launch of WAMID, focused on solutions and pioneering technologies.

Launch of the Close-Ended Funds platform .

Linking Clearstream with Edaa as the first ICSD, which allows foreign investors to invest in local listed bonds and Sukuk.

2022

The Saudi capital market ranked as the ninth largest global exchange in terms of market capitalization, which reached SAR 9.9 trillion at the end of 2022.

Completion of the first dual listing on the Saudi Exchange and Abu Dhabi Securities Exchange.

Saudi Tadawul Group, in collaboration with the Public Investment Fund (PIF), established the Regional Voluntary Carbon Market Company.

The completion of the enhancements to develop post-trade infrastructure, the largest bundle in the history of the Saudi Capital Market.

2023

Offering the employee compliance service to listed companies and government funds.

Single Stocks options: offering the physical settlement of the underlying stocks.



strate

ABOUT STRATE

Strate is South Africa's principal central securities depository and central collateral platform. Our purpose is to serve the financial market through the safekeeping of the legal, digital record of securities ownership. We provide associated settlement and asset services while facilitating the reuse of securities to benefit the economy.

Safeguarding ownership rights

At the heart of what we do, is the safeguarding of ownership rights for public and private market securities in South Africa. These records, held digitally, represent the legal record of ownership for all equities, bonds, money markets and participatory notes in collective investment schemes (ETFs) entrusted to Strate for safekeeping. As the market trusts us to independently and accurately hold the legal record of securities ownership, we are able to safeguard investors' rights and contribute to upholding financial market stability.

Reliable operations and world-class asset services

Strate's central securities depository – to which issuers, other market participants and all South African exchanges connect – maintains accurate records through a reliable

clearing and settlement function. Our world-class asset servicing capabilities support issuers with both standard and complex corporate activities that unlock significant benefits for issuers and investors.

A cornerstone of the financial market ecosystem

We play an important role in creating efficiencies and mitigating systemic risk thereby contributing to the integrity of the financial market ecosystem. We are independent robust, sound and credible.

As a self-regulatory organisation, mandated by the Financial Markets Act, we contribute to financial market stability by establishing, maintaining and monitoring standards that uphold confidence in the market.

We help to support broader economic activity

Building on the trust we have earned in safeguarding the legal ownership rights for securities, Strate has developed a platform to support the re-use of securities as collateral to promote economic activity. Our central collateral platform efficiently and seamlessly connects collateral givers, collateral receivers and intermediaries, to assist them in optimising capital and improving liquidity.

Trusted to deliver innovative, digital solutions

Strate is a pioneer in digitisation in South Africa, initially through our dematerialisation initiative to replace paper securities ownership records with secure digital records. Digital innovation has allowed us to integrate and connect critical players in the financial market ecosystem. This leads to integrity and trust in our markets, which ultimately supports market growth and the growth of the South African economy.

Our Integration Services offers cost-effective solutions to make it easy for entities to create, exchange and monitor digital messages. We adhere to ISO messaging standards ensuring seamless and secure communication between market participants.

Supported by world-leading partners

Our digital innovation is based on a partnership model with leading global and local technology providers. Tata Consultancy Services provides sophisticated infrastructure for registry, settlement and asset services. Well-known, established local technology services provider, RiskCafé, fully supports our e-Voting solution as well as Strate Converge to enable our business model for the private markets. We offer a leading-edge central collateral platform, supported by Clearstream, part of the Deutsche Borsë Group.

Enhancing market transparency

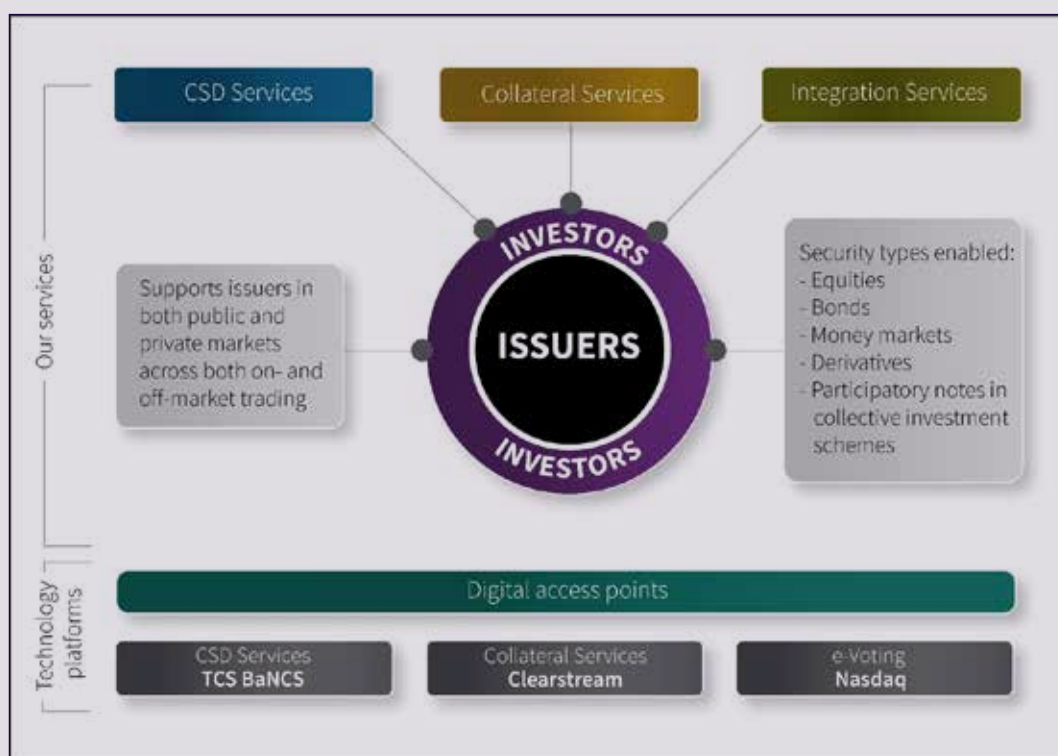
As a CSD, we have access to a wealth of unique data assets that can be leveraged to provide quality data and intelligent insights to our clients. Our Data Services capability draws on innovative, market-leading data technology services to provide market data and insights on all security types, to help our stakeholders make better decisions, while enhancing market transparency.

To further enhance market transparency, mitigate risk and ensure financial market stability, Strate has revisited its position on offering trade repository (TR) services to the market. By leveraging our Data Services capabilities, we believe we can provide an efficient and effective solution. A licence application has been submitted for consideration and we are confident that this will receive favourable support from the regulators.

A sound regulatory framework

In delivering digital solutions to the South African financial market, Strate operates within a sound regulatory framework. We provide services in terms of the Companies Act (2008) and the Financial Markets Act (2012). Strate is overseen by the Financial Sector Conduct Authority, the Prudential Authority and the SARB's National Payment System Oversight and Supervision Department.

In addition, the services we provide are regulated by the Financial Sector Regulation Act (2017) and the National Payments System Act (1998). As a financial market infrastructure (FMI) we adhere to the principles enshrined in local and international best practice, including the CPMI-IOSCO.





HISTORY AND DEVELOPMENT OF CAPITAL MARKETS IN TANZANIA

The Capital Markets and Securities Authority (CMSA) was established in 1995 by the Capital Markets and Securities Act, Chapter 79 R.E. 2002. The CMS Act is supplemented by 19 Regulations and Guidelines governing various aspects of capital markets. CMSA became operational as an autonomous body in the 1995/1996 Financial Year. The establishment of CMSA followed comprehensive financial sector reforms in the early 1990s that were aimed at developing capital markets in Tanzania. The capital markets are important because they provide the appropriate mechanisms for mobilizing long term savings and ensuring efficient allocation of resources to productive sectors in that way stimulate economic growth.

Functions of the CMSA

Functions, duties and powers of the CMSA are subject to the provisions of the Section 10 (1) of the CMS Act; the CMSA has the duty to:

- Promote and develop efficient and sustainable capital markets and securities business in Tanzania while ensuring fair and equitable dealings;

- Formulate principles for the guidance of the industry, protection of investors' interests and integrity of the securities market against any abuses;
- Licensing and regulating stock exchanges, dealers, brokers and their representatives and investment advisors;
- Advising the Government on policies and all matters relating to the securities industry.
- Create the necessary environment for the orderly growth and development of the capital market;

ESTABLISHMENT OF THE DAR ES SALAAM STOCK EXCHANGE

The Dares Salaam Stock Exchange (DSE) was incorporated in September 1996 as a private company limited by guarantee and not having a share capital under the Companies Act (Cap. 212). The DSE was a non-profit making body until it was demutualized in June 2015, created to facilitate the Government implementation of the economic reforms and subsequently encourage the wider share ownership of



privatized and all the companies in Tanzania and facilitate raising of medium and long-term capital.

The formation of the DSE followed the enactment of the Capital Markets and Securities Act (Cap 79) and the establishment of the CMSA, the industry regulatory body charged with the mandate of promoting conditions for the development of capital markets in Tanzania and regulating the industry.

Demutualization and Self-Listing of the DSE

In June 2015 the DSE PLC received formal approval from the CMSA to operate as a demutualized entity. The move to demutualize the Exchange marked a great milestone for the Capital Markets in Tanzania.

The DSE changed its legal status from a company limited by guarantee to a company limited by shares and its name to DSE Public Limited Company and subsequently issued shares to the public and thereafter self-listed its shares on its own Exchange on 12th July 2016. The principal objective of the Exchange is to provide a securities market to investors who intend to invest in the listed securities.

Amongst major achievements made by the Exchange includes:

- 1996 Incorporation of the Dar es Salaam Stock Exchange and approval of Stock Exchange Rules
- 1997 Publication of Collective Investment Scheme Regulations
- 1998 Start of operations of the DSE with the first privatization and listing of state-owned entity
- 1999 Installation of the CSD at the Exchange

- 1999 Issuance of Guidelines for the Issue of Corporate Bond
- 2002 Listing and start of trading of Treasury Bonds at the Exchange
- 2004 Cross listing of the first foreign company
- 2006 Deployment of ATS
- 2011 Publication of Regulations to govern introduction of Real Estates Investment Trusts
- 2013 Launching of the second-tier market: Enterprise Growth Market (EGM)
- 2014 Deployment Wide Area Network and start of remote trading by brokers
- 2014 Uplifting of Foreign Investors Limits Regulations
- 2015 Introduction of the regulatory framework and subsequent use of mobile phone Trading
- 2015 DSE Demutualization and Re-incorporation into a Public Limited Company.
- 2016 DSE IPO and Self-Listing; DSE joined the WFE.
- 2016 Supporting United Nations Sustainable Stock Exchanges initiative.
- 2017 Operationalization of the Subsidiary Company, CSD & Registry Company Limited (CSDR)
- 2019 Introduction of DSE Enterprise Acceleration Program to build SMEs capacity
- 2019 Classified as a Frontier Market status
- 2022 Joined UN-SSE and UN-Global Compact
- 2022 Joined UN-Women
- 2022 Listing of sustainable bonds

DEPOSITORY SERVICES

The CSD in Tanzania was established at the DSE in 1999 as a vital component of the country's capital market infrastructure. The CSD services evolved as the Exchange continued to operate until demutualization and self-listing of the DSE in 2016. The move to demutualize the Exchange marked a great milestone for the Capital Markets in Tanzania, leading to establishment of the CSDR. The CSDR took over functions of the former Central Securities Depository and Registry Services department of the DSE.

3.1 Incorporation of the CSDR

The CSDR was incorporated on 17th January 2017 and became operational on 1st October 2017, following the approval and licensing by the CMSA in September 2017.

The establishment of the CSDR was in compliance with the IOSCO Principles and International Best Practices for Securities Markets. The CSDR is wholly owned by the DSE.

3.2 Principal activities

The CSDR is approved by the CMSA to conduct the Central Securities Depository business in Tanzania. The Company provides automated clearing, delivery, and settlement facilities in respect of transactions carried out at the DSE and maintain registers of listed and non-listed securities.

The CSDR provides its services through an online computer system, with CSD Members (Depository Participants) having direct online access to the system. Equity trades settle on a rolling T+3 settlement cycle, while Bonds settle on a rolling T+1 settlement cycle on a DVP basis. Final transfer of funds between Settlement Banks occurs through the Central Bank.

The CSDR provides registry services to listed and non-listed companies. The registry services cover a full range of registry functions, including security transfers, maintenance of ownership records, administration of shareholders registers, processing of corporate actions such as dividend payments, bonuses, right issues, and other related services.

In summary, CSDR functions are:

- Custody Services
- IPO Processing
- Clearing and Settlement of secondary market transactions
- Handling off-market secondary market transactions
- Maintenance of Registers of all listed instruments.
- Dividend payments to investors
- Coupon payments to investors
- AGM Management services

Furthermore, the CSDR participates in the Depository Information Gathering Project of the AGC through WFC single disclosure online tool. The objective of the project



is to assist members of the AGC in meeting their regulatory obligations under the U.S Investment Company Act Rule 17f-7, which sets forth the circumstances under which U.S investment companies may hold securities through the facilities of non-U.S. securities depositories.

The CSDR is also covered by the Thomas Murray capital market infrastructure risk ratings service. The rating service of Thomas Murray provides an independent, objective analysis of the local post-trade capital market controls and procedures. It examines the extent to which an infrastructure minimizes recognized risks and maximizes asset safety for investment.

3.3 Corporate Governance

The CSDR demonstrates a strong commitment to Corporate Governance, focusing on various areas to ensure transparency, accountability, and ethical conduct throughout its operations. The organization has established a robust board structure with appropriate composition, including diverse expertise, experience, and independence. All Board members, except the Managing Director are Non-Executive Directors. The positions of Chairman and the Managing Director are held by different people.





HISTORY AND DEVELOPMENT OF CAPITAL MARKETS IN TUNISIA

Tunisia, a North African country with a rich history and strategic location, has made significant strides in developing its capital markets.

Regulatory Framework

The regulatory framework governing Tunisia's capital markets has evolved to ensure market integrity, transparency, and investor protection. This framework includes mainly:

- Law No. 94-117 of November 14, 1994, on the reorganization of the financial market,
- Financial Market Council regulations on public offerings,
- Law N°2000-35 of March 21, 2000, relating to the dematerialization of securities,
- Financial Market Council regulations relating to the keeping and administration of securities accounts,
- Decree N°2006-1208 of April 24, 2006, setting the terms and conditions for issuing and redeeming treasury bills,

- Law n°2012-24 of December 24, 2012, relating to repurchase agreements,
- Financial Market Council regulations relating to undertakings for collective investment in transferable securities and to the management of securities portfolios on behalf of third parties,
- Law n° 2003-75 of December 10, 2003, relating to support for international efforts against terrorism and money laundering.

There is currently a project led by The Ministry of Finance to recast the Tunisian capital markets' regulatory framework aiming to follow the progress of the market activities.

Market actors

The main actors of the Tunisian capital markets include:

The Financial Market Council (CMF):

The Financial Market Council, created by Law No. 94-117 of November 14, 1994 reorganizing the financial market, is a public independent authority

responsible for monitoring the financial market and sanctioning breaches or violations of the regulations

in force. The CMF is the regulator of the Tunis Stock Exchange, Tunisie Clearing, brokers and collective investment organizations.

- **The Central Bank of Tunisia:**

The Central Bank of Tunisia is a key player of the Tunisian capital markets responsible for ensuring the financial stability, overseeing the state financing, regulating Tunisie Clearing, payments systems and banks.

- **Tunis Stock Exchange:**

Tunis Stock Exchange is the market place for the exchange of equities and debt securities issued by the issuers and the government. This role ensures the liquidity of securities held by investors which enables issuers to raise funds through public offerings and represent one of the sources of the economy's financing.

- **Tunisie Clearing:**

Tunisie Clearing is the Central Securities Depository and the Securities Settlement System. It represents a key component in the safe and reliable architecture of the Tunisian capital markets. Tunisie Clearing offers a wide range of securities post trade services.

Tunisie Clearing has been established on December 1993. Law n°94/117 of November 14th 1994 (Articles 77-80) in relation with the Tunisian financial market reorganization had confirmed its legal existence and defined its scope.

- **Brokers:**

Brokers are the only actors authorized by law to trade on the stock exchange. They are also engaged in the following activities: financial advice, portfolio management, placement of securities and financial products. There currently 21 brokers in the Tunisian market.

Market Growth and Development

The formal establishment of the Tunisian capital markets was embodied by the Law n°94/117 of November 14th 1994 related to the reorganization of the Tunisian financial market which defined the market actors, their rôles as well as their the rules governing their activities.

Since then, the growth of the market has been driven by various initiatives aimed at enhancing market efficiency, liquidity, and investor confidence. Key developments include:

- **Market Reforms:** Ongoing market reforms have focused on enhancing market integrity, investor protection, and corporate governance standards. These reforms include updated listing rules, improved disclosure requirements, and measures to promote greater transparency and accountability.
- **Technological Advancements:** The main actors (Central Bank, Stock Exchange and Tunisie Clearing) have implemented, from 2020 to 2022, new solutions (RTGS, Trading platform and CSD system) that are compliant with international practices and include developed technologies aiming to improve market operations, enhance security and efficiency, and promote market transparency and attractiveness.
- **Product Diversification:** The Tunisian capital markets is distinguished by the variety of its financial products and its continuous and its continuous evolution. It includes in addition to equities and debt instruments, private bonds, money market instruments and repo transactions :
 - The volume of debt securities issues increased from 1,312.064 MDT in 1991 to 20,023.52 MDT in 2023.
 - The volume of private bond issues increased from 110 MDT in 2001 to 997.50 MDT in 2023.
 - The total volume of repo transactions has increased significantly, from 315.577 MDT in 2015 to 51,061.57 MDT in 2023.
 - The volume of money market instruments issues increased from 46,610.00 MDT to 57,188.46 MDT in 2023.
- **POs:** The TSE has seen several successful IPOs, which have contributed to increased market activity and investor interest. These IPOs have included both public and private companies.
- **Foreign Investment:** Tunisia has implemented policies to attract foreign investment, including allowing foreign ownership of listed companies and easing restrictions on foreign ownership of securities. These measures have helped to increase foreign participation in the market.

TUNISIE CLEARING ROLE AND SERVICES

Tunisie Clearing, as a Central Securities Depository & a Securities Settlement System, is a pillar infrastructure of the capital market that has always endeavored to best meet its missions and to innovate by offering value added post-trade services and thus contributing to the development of market.

Tunisie Clearing was established to ensure the efficient safekeeping and settlement and of securities in order to contribute to the overall stability and integrity of the market.

The main missions of Tunisie Clearing include:

- The central custody of securities on behalf of participants as a guarantor of securities issue integrity;
- The organization of securities transfers between participants in the Securities Settlement System,
- Other related activities.

At the international level, Tunisie Clearing is member of the following organizations:

- AMEDA,
- ANNA,
- Arabic Federation of Capital Markets (AFCM)

Central Securities Custody:

Tunisie Clearing ensures the custody and the safekeeping of all listed securities, unlisted securities, government securities and money market instruments.

It registers the integrity of each security in one or many many accounts based on the information provided by the issuer or his mandated approved intermediary. It also guarantees that the total number of securities registered in the issue account equals the total number of securities registered in the bookkeeper's account (Brokers and banks).

Tunisie Clearing undertakes monthly reconciliation of securities accounts with its participants in order to maintain accurate records.

Securities Settlement:

Tunisie Clearing ensures the settlement of securities with the cash settlement occurring at the Central Bank of Tunisia.

The general principles of the settlement process are the following:

- Securities delivery simultaneous to cash payment;
- DVP Principle: the settlement models being used are models 1 and 3;
- Irrevocability of settlement;
- A standardized settlement cycle of T+2 for on-exchange transactions.

Management of Corporate actions:

Tunisie Clearing performs all types of corporate actions occurring on securities admitted to its operations on the basis of information provided by the issuer or its mandated approved intermediary. According to international standards, Tunisie Clearing classifies corporate actions into two types : Distributions and reorganizations. These include :

- Dividends payment, Redemption of Debt securities annuities, Capital increases

Split, Merger, etc. ...

Management of government debt:

Tunisie clearing manages the government debt (The long-term treasury bonds BTA, the short-term treasury bonds BTCT, the zero-coupon treasury bonds and the national bonds) from the auction process to their settlement.

Management of money market instruments:

Tunisie Clearing ensures the admission and codification of money market instruments including the issuance processing, the settlement of money market instruments, the nominative declarations, and the reporting.

Management of repo transactions:

Tunisie clearing manages the settlement of repo transactions. It also plays a critical role as a calculation agent for repo with margin calls.

Related services

Codification of financial instruments:

Tunisie clearing is the national numbering agency in Tunisia and member of ANNA association. Thus, it assigns to each financial instrument, prior to its admission, an ISIN, a CFI and a FISN according to ISO standards.

LEI services:

Tunisie Clearing is an accredited LOU for the issuance and maintenance of LEI. The LEI services were launched in February 2021. The LEI promotes transparency over financial markets.

Assets identification services:

Apart from the account omnibus structure, Tunisie Clearing offers to participants the possibility to segregate their clients' accounts at Tunisie Clearing's level allowing thus the direct identification of those investors on Tunisie Clearing's books.

TUNISIE CLEARING PROJECTS

Tunisie Clearing invests in projects and offers value-added services. These projects and services help it align its operations to the international standards and contribute to the financial stability as well as participants' trust.

Those projects include mainly:

- The implementation of a new CSD system called "TANIT CSD" in 2020. This system maintains compliance with both local and international financial regulations.
- Implementation of business continuity plan in 2022.
- Implementation of an information security system in 2022.
- Segregation of mutual funds assets (OPCVM) in 2022.
- Segregation of banks own assets in 2023.
- Launching curves such as Treasury Bonds yield curve in 2017 and corporate yield curve in 2023 (test version).
- Accelerated settlement cycle (T+2) in 2023.
- Accelerated update of shareholders register (T+T) in 2023.
- Launch of project for the implementation of a risk management framework in 2024.





HISTORY

Early Beginnings

The history of capital markets in Zimbabwe dates back to the late 19th century. The first stock exchange in Zimbabwe, then Rhodesia, was established in Bulawayo in 1894 during the gold rush period. This exchange, however, was short-lived. The more enduring Zimbabwe Stock Exchange (ZSE), initially known as the Rhodesia Stock Exchange, was established in 1946 in Harare (then Salisbury).

Pre-Independence Era

During the pre-independence era, the Rhodesia Stock Exchange primarily served the interests of the settler community, with listings dominated by companies in mining, agriculture, and manufacturing. The exchange played a limited role in the broader economy, which was heavily controlled and restricted by the colonial administration.

Post-Independence Development

Following Zimbabwe's independence in 1980, the ZSE underwent significant changes aimed at making it more inclusive and reflective of the country's economic realities.

The government implemented policies to promote local ownership and participation in the capital markets.

1. Legal and Regulatory Framework: The ZSE is governed by the Zimbabwe Stock Exchange Act, which was enacted to provide a legal framework for its operations. The Securities and Exchange Commission of Zimbabwe (SECZ/SECZim) was established in 2008 to regulate and oversee the activities of the ZSE and protect investor interests.

2. Economic Challenges: The post-independence period was marked by economic challenges, including hyperinflation, political instability, and economic sanctions. These factors adversely affected investor confidence and market performance. During the hyperinflation period of the late 2000s, the ZSE experienced significant volatility, with stock prices soaring as investors sought refuge from the collapsing currency.

Market Reforms and Modernization

Despite the challenges, significant efforts have been made to modernize and reform Zimbabwe's capital markets:

1. Demutualization: In 2015, the ZSE transitioned from a mutual organization to a publicly traded company.

This demutualization process aimed to enhance the governance structure, improve transparency, and attract more investment.

2. Technological Advancements: The ZSE has invested in modern technology to improve trading efficiency and accessibility. In 2015, the exchange introduced an automated trading system, replacing the traditional open outcry system. This move significantly improved trading transparency and efficiency.

3. Introduction of New Products: The ZSE has diversified its product offerings to attract a wider range of investors. In addition to equities, the exchange has introduced bond trading, ETFs, and real REITs.

Recent Developments and Challenges

In recent years, the ZSE has continued to evolve amidst ongoing economic challenges:

1. Currency Reforms: Zimbabwe has faced multiple currency changes, moving from the Zimbabwean dollar to the adoption of multiple foreign currencies, and then to the reintroduction of a new Zimbabwean dollar. These currency fluctuations have impacted market stability and investor confidence.

2. Victoria Falls Stock Exchange (VFEX): In 2020, the government launched the VFEX as a subsidiary of the ZSE, aimed at attracting foreign investment and providing a platform for trading in foreign currency. The VFEX is intended to operate under different regulatory standards, offering incentives for companies and investors, including tax benefits.

COVID-19 Pandemic: The global pandemic has also affected Zimbabwe's capital markets, leading to disruptions in trading activities and impacting economic performance. However, the ZSE has adapted by enhancing its digital trading platforms to facilitate remote trading.

Central Securities Depository

In 2020 the ZSE introduced a Depository as part of the setting up of its subsidiary, the VFEX where securities are traded and settled in United States Dollars. The VFEX was established to kick start the Zimbabwe Offshore Financial Services Centre (OFSC) in the tourist of Victoria Falls. Depository operations for ZSE listed securities were kickstarted in the second half of 2021.

Regulatory Framework for the Depository

SECZim: The SECZim is the primary regulator of the Zimbabwean capital market participants, including the ZSE and VFEX Depositories. It issues regulations and guidelines that govern the operations of depositories, including safekeeping standards, risk management practices, and reporting requirements.

Depository Rules: The Depository has its own rulebooks that establish specific requirements for depository participants and the settlement process for listed securities.

Depository Participants as of 31 December 2023

Custodian Banks	Transfer Secretaries	Settlement Banks
Stanbic Investor Services	First Transfer Secretaries (Private Limited)	Reserve Bank of Zimbabwe
CABS Custodial Services	Corpserve (Private) Limited	
CBZ Custodial Services	ZB Transfer Secretaries (Private) Limited	
Standard Chartered Securities Services		
ZB Custodial Services		
FBC Custodial Services		

The introduction of a Depository was a strategic move by the stock exchange to expand its service offering as well as provide investors with a seamless experience from trade execution to settlement.

CURRENT PRODUCTS AND SERVICES

The ZSE through its Depository is committed to providing secure, efficient, and transparent clearing and settlement services to investors and market participants within the Zimbabwean capital markets.

CSD Services: Provision of digital record of ownership for equities, bonds, commodities, derivatives, money

markets and exchange traded funds. The ZSE depository operates a custodial-centric model where custodian banks, often referred to as depository participants, interact with clients and maintain records. The depository employs a robust system to ensure the segregation of assets belonging to depository participants from securities owned by beneficial owners. This segregation of accounts provides essential protection against claims from the depository's creditors or those of a participant in the event of insolvency.

Clearing and Settlement: This is at the core of our service offering where we facilitate the smooth transfer of securities and cash on settlement. The market settlement cycle is currently T+3, however there are plans to migrate to T+2 and eventually T+1. The ZSE depository operates on a prefunding model with a strict DVP mechanism. These measures aim to eliminate principal and settlement risks. The depository currently employs a DvP Model 2, where securities are settled on a gross basis within the CSD system, while funds are settled multilaterally on a net basis through the Reserve Bank of Zimbabwe.

Collateral Services: The ZSE through its Depository allows investors to use their holdings as collateral for loans through the recording and maintenance of security pledges. The ZSE offers investors the ability to leverage their investment portfolios by facilitating the use of securities as collateral for loans. This is achieved through a robust system for recording and maintaining security pledges.

Dividends and Corporate Actions: The ZSE again through its Depository facilitate dividend payments and other corporate actions. This is achieved by providing the issuer's Transfer Secretary with a list of shareholders and their details on the record date. For corporate actions such as bonus issues, rights offerings, share splits, and IPOs, the depository directly credits securities to the shareholders' accounts in the CSD system. This eliminates the need for issuers issuing physical share certificates to shareholders who already have electronic holdings in the CSD.

The ZSE continues to invest in product development as part of its efforts to widen the scope of its Depository in the Zimbabwe capital markets. There is ongoing work to include the following in the Depository's service offering;

Securities Lending & Borrowing: To enhance the depository's functionality and provide additional investment avenues, the introduction of securities lending and borrowing is under consideration. This initiatives aim to increase market liquidity, facilitate efficient capital allocation, and offer investors greater flexibility in managing their portfolios. Securities Lending & Borrowing will complement the recording and maintenance of security pledges as part of Collateral Services.

Integration Services: There is ongoing exploratory work on the integration of the capital markets leveraging on the SWIFT platform. This intergration is part of a broader scheme to enhance STP in the post trade arena thereby reducing manual process and improving operational efficiency.

Data Services: The ZSE through its FinTech arm is developing digital platforms to facilitate easier access to its services. These platforms will provide Depository participants with online access to custody, settlement, and corporate action services, enhancing operational efficiency.

The ZSE is also spearheading several initiatives in the market leveraging on its Depository key amongst which is a proposal to migrate the settlement cycle from the current T+3 to T+2 and the introduction of turnaround trading.

The shortening of the settlement cycle is expected to bring forth the following benefits:

Reducing Risk: Mitigating overall operational and systemic risk in the markets and increase efficiency by reducing procyclicality.

Enhancing Liquidity: Accelerating the settlement cycle will allow investors quicker access to their funds following trade execution and settlement thus enhancing the attractiveness of the stock exchange.

Global Alignment: Globally the trend is that markets are moving towards shortened settlement cycles. The introduction of a T+2 settlement cycle and the eventual migration to T+1 will align well with this global trend.

Turnaround Trading: Turnaround trading will allow investors to buy and sell the same security during the same trading session. Turnaround trading will present the following opportunities to investors:

Benefit from price movements: Investors can take advantage of short-term price movements during the same trading session.

Reduction of risks: Investors are in a position to close out all positions before the market closes thereby avoiding the impact of sudden price swings due to unforeseen and unplanned for market developments.

The ZSE expects its Depository to continue increase its presence in the market leveraging on a solid operational base, technological innovation and the development of value adding products and services that meets investor needs.

VISION AND FUTURE PROSPECTS

The overall vision of the Zimbabwe Stock Exchange is to become the preferred securities and commodities exchange in Africa. This vision is anchored in our Depository through the provision of a robust securities clearing and settlement infrastructure which ensures the timely settlement of transactions at the same time allowing investors to unlock value on their holdings through an efficient and effective collateral registration and management system. The ZSE is keen on investing in relevant technologies and systems to realise this vision. We believe the ZSE Limited is strategically positioned to be the principle Depository in the country thereby making our capital markets attractive to both domestic, regional and international investors.

ABOUT CHENGETEDZAI DEPOSITORY COMPANY

The CSD in Zimbabwe, known as Chengetedzai Depository Company(CDC), was established in 2010 and went live in September 2014. The CDC plays a crucial role in the capital market infrastructure by providing electronic clearing, settlement, and custody services. It operates under the oversight of the SECZ/SECZim.

Core Functions and Services of CDC

The CDC provides a range of services essential for the efficient functioning of the capital markets:

1. Custody Services: The CDC holds securities in electronic form, ensuring their safekeeping and eliminating the risks associated with physical certificates. This service enhances the security and efficiency of the market.

2. Clearing and Settlement: The CDC manages the clearing and settlement of trades executed on the Zimbabwe Stock Exchange and the Victoria Falls Stock Exchange. It operates on a DVP basis, ensuring that securities are transferred only when payment is made, thus mitigating counterparty risk. The standard settlement cycle is T+3.

3. Corporate Actions Processing: The CDC handles the processing of corporate actions such as dividends, interest payments, stock splits, and rights issues. It ensures accurate and timely execution of these actions, with entitlements credited directly to investors' accounts.

4. Securities Lending and Borrowing: The CDC facilitates securities lending and borrowing to enhance market liquidity and support short-selling activities. The securities lending and borrowing service allows market participants to lend or borrow securities for various purposes, including hedging and arbitrage.

5. Collateral Management: The CDC offers collateral management services, enabling participants to use securities as collateral for various financial transactions. This service supports the management of credit risk and enhances market liquidity.

6. Registrar Services: The CDC provides registrar services, maintaining accurate records of securities ownership and assisting issuers with the management of their shareholder registers. This service helps issuers comply with regulatory requirements and facilitates efficient communication with shareholders.

7. Electronic Voting: The CDC provides electronic voting solutions for general meetings, allowing shareholders to cast their votes electronically. This service improves shareholder participation and streamlines the decision-making process.



DEPOSITAIRE CENTRAL DES TITRES EN ALGERIE
 المركزي المرصود للتطوير المالية في الجزائر

ABOUT ALGÉRIE CLEARING AND ITS SERVICES¹

The central securities depository in Algeria, which was named "Algérie Clearing", was established by Legislative Decree No. 93-10 of 23 May 1993, amended and supplemented by Law No. 03-04 of 17 February 2003 on the Stock Exchange. Its activity is under the supervision of the Commission for the Organisation and Supervision of Stock Exchange Operations.

Algeria Clearing is a real centerpiece of the Algerian financial market. This organization ensures greater security in the conduct of corporate actions, greater speed in the settlement of transactions as well as professional management of securities while applying an update in relation to international standards.

With a share capital of 240 million Algerian dinars, with the Public Treasury and the Bank of Algeria being ex officio shareholders, it was created by the six public banks and the three issuing companies, to carry out the missions of the Central Securities Depository in Algeria through the management of an automated settlement system integrated into the all the professionals in the market.

Algérie Clearing offers dematerialization, custody, and codification of securities, delivery versus payment services, securities administration, and personalized services like e-Voting and account monitoring for the financial market participants.

SERVICES

1. Admission: The values admitted to Algeria Clearing operations are:
 - Shares, Debt securities, Other securities (certificates, bonds, warrants, etc.); Securities listed on the Algiers Stock Exchange and securities derived from them, such as rights or coupons, Securities issued by the Treasury.
2. Codification: Algérie Clearing has been entrusted with the responsibility of national codifier of securities issued in Algeria. Algeria Clearing is a member of the Association of National Numbering Agencies – ANNA.
3. Conservation: Algérie Clearing ensures the safekeeping of all listed securities and guarantees the integrity and security of the accounting system it administers.
4. Traffic: The Central Depository ensures the circulation of securities through movements which are carried out by transfer from account to account, opened in the name of its members.
5. Dematerialization: Dematerialization is the transformation of physical information media (certificates) into accounting entries (opening of securities accounts).
6. Identification of shareholders: Shareholders who have opened a bearer securities account with an authorized intermediary are not known to the issuing legal entity. The latter may ask Algérie Clearing to provide it with a complete list of its holders on a specific date.

¹ <https://www.algerieclearing.dz/index.php/fr>, 10 September 2024



ABOUT DUBAI CSD

Dubai Central Securities Depository LLC (Dubai CSD) is a private for-profit company incorporated under the Commercial Company Law of the United Arab Emirates and registered with SCA for Central Depository Activity in UAE. Dubai CSD operates a fully dematerialized securities depository for the emirate of Dubai in the UAE where 100% of the shares of listed companies are dematerialized. The CSD company was incorporated on 14 March 2019 to segregate the functions of CCP clearing house and CSD of Dubai Financial Market pursuant to the introduction of the CSD and CCP regulations by SCA. General Background of Dubai CSD

Dubai CSD is incorporated under the UAE Commercial Company's Law No 2 of 2015 and will be regulated by Securities & Commodities Authority (SCA). In addition to the UAE Commercial Company's law, Dubai CSD is also licensed pursuant to Decision No 19/R.M. of 2018 concerning the Regulation of the Central Depository Activity and the guidelines issued by SCA from time to time as a licensed CSD in the United Arab Emirates. Dubai CSD's management consists of experienced professionals who oversee the affairs of the CSD. The Executive Management is responsible for overall business performance and formulation of strategies and policies. All securities are held in dematerialised form and securities are fungible in accordance with SCA regulations governing the Central Depository Activity. Under the legal framework, securities can be held either in the names of the investor or under approved omnibus account operators registered with the CSD. Securities can also be transferred or pledged by bookkeeping entry without physical delivery of securities

and meets the requirements of SEC Rule 17f-7 concerning eligible depository to hold securities of US registered investment companies. Securities includes shares, exchange traded funds/exchange traded notes, funds, rights, warrants, bonds and shares of private companies for its function as a share registrar to private companies.

The structure and operations of Dubai CSD is not new as the CSD has been in operations for the past 18 years pursuant to the establishment of the stock exchange in Dubai. The primary objective of the CSD is to support the issuance of securities to be listed on the DFM stock exchange in dematerialized format and operate the central sharebook registry for all listed companies

The Dubai CSD provides a wide range of services for investors, members and issuers These include depository, custodian, and issuer services. The catalogue details services such as securities registration, transfers, pledging, and dividend distribution, along with their associated fees. The pricing structure varies depending on the complexity and scope of the service. This offers transparency and supports efficient market operations. The Dubai CSD offers several key services, including:

- Securities Registration
- Custody Services
- Pledge and Unpledge of Securities
- Securities Transfers
- Dividend Distribution
- Proxy Voting
- Corporate Action Processing

Dubai CSD PFMI | Dubai Principles for Financial Market Infrastructure Disclosure 2024



ABOUT IDC¹

Iraqi Depository Center (IDC) was established on the basis of Section (9) from the Law No. (74) of 2004, and the IDC is part of the Iraq Stock Exchange ISX and is open to the participation of any member in the Market.

IDC Targets

1) Promote the timely, safe and efficient settlement of securities transactions in accordance with the terms of those transactions.

2) Promote open and non-discriminatory access to clearance and settlement services.

IDC Plans

Continue to open shareholders' accounts and register their shares for listed companies.

Follow the procedures adopted by the IDC in registering and depositing shares of companies to be included in the future.

Follow up of listed companies and update their data in:

(A) Updating the capital increase data of the listed companies.

(B) Registration of shares that are not deposited in the listed companies in accordance with the procedures of the IDC.

(C) Annual and annual disclosure of the deposited shares, the number of depositors and the deposit rates for each company.

(D) daily reconciliation of corporate capital.

(E) Supervising the accounts of depositors' shareholders.

(F) inheritance transactions and family waiver and loss of share certificate.

(G) Mortgage and stock seizure based on orders received from the judicial, official and banking authorities.

Publication of reports, statistical tables and news of companies listed on the website of the IDC



¹ <https://idc-stocks.com/en/home-en/>, 10 September 2024



THE LIBYAN STOCK MARKET¹

Libyan Stock Market is considered an important branch in the domestic economy and provides the opportunity to invest the resources and capital to attract both national and international investors. The Libyan Stock Market (LSM) was established on the 3rd of June 2006, to form a joint-stock company with a capital of 20 million Libyan dinars, divided into 2 million shares with a nominal value of 10 LD per share.

AIMS AND FUNCTIONS OF LIBYAN STOCK MARKET

- Creation of a suitable environment of bond and share investment for the benefit of the national economy.
- To encourage savings and raising investment awareness in ways capable of directing savings towards the economic sectors of a potential greater return on their investments.
- To oversee the supervision and operation of share dealings and ownership transfer operations.
- To serve economic and social development aims via the use of private savings, by operating share dealing activities and investment transactions.
- To take part in the program of transfer of ownership of publicly owned establishments and companies, and ways leading to the broadening of the ownership base.
- To take the necessary ground-rules for the protection and guarantee of good conduct on the market floor, capable of achieving proper dealing on the exchange.
- To establish links and develop cooperation between Arab regional and international markets, in ways that lead to raising the level of investor's trust in the national economy.
- To operate underwriting of shares in new joint-stock companies.



¹ <http://www.lsm.gov.ly/>, 10 September 2024



Edaa ايداع

QATAR CENTRAL SECURITIES DEPOSITORY (QCSD)¹

Qatar Edaa is the central platform for securities depository and settlement services in Qatar, operating under the Qatar Central Securities Depository (QCSD). It plays a crucial role in the country's financial infrastructure by managing the registration, safekeeping, and transfer of securities such as shares, bonds, and other financial instruments.

Edaa ensures the electronic settlement of transactions, facilitates ownership transfers, handles dividend distributions, and manages corporate actions. It offers services for investors, financial institutions, and companies to maintain a secure and transparent financial market environment. Additionally, Edaa provides pledge and release services, account freezing, and legal securities transfers, ensuring compliance with local regulations.

Edaa's aim is to promote the efficiency and security of Qatar's capital markets, enhancing investor confidence and market stability.

Additionally, it aims to provide infrastructure for financial instruments for the Qatari market, regional market and also outside the region.

The company is uniquely placed as it is the only company authorized by the QFMA that provides depository and other such services in the state of Qatar.

QCSD operates the electronic clearing and settlement of all transactions on the Qatar Stock Exchange. It manages securities ownership, shareholder transactions, and corporate actions such as dividend distributions.

Products and Services

- Shareholder registration and transactions
- Safekeeping and settlement of securities
- Dividend distribution services
- Securities pledge and release services



¹ <https://www.qcsd.gov.qa/en/>, 10 September 2024



ABOUT THE NATIONAL BANK OF RWANDA¹

The National Bank of Rwanda was established in 1964 with the aim of issuing the Rwandan currency named Franc Rwandais (Frw). Over the years, the role of the The National Bank of Rwanda has evolved. The current Law N°48/2017 of 23/09/2017 as amended to date, confers a clear mandate on the The National Bank of Rwanda with a mission of ensuring price stability and a sound financial system. Price stability is achieved by conducting appropriate monetary policy in the interest of a stable macroeconomic environment, while financial stability is achieved by regulating and supervising the financial system.

NBR IDENTITY STATEMENT

The National Bank of Rwanda strives to be a world class central bank contributing to economic growth & development, by using robust monetary policy tools to maintain stable market prices. The Bank ensures financial stability in a free market economy as it embraces innovation, inclusiveness, and economic integration.



¹ <http://www.bnr.rw/>, 10 September 2024



ABOUT KHARTOUM STOCK EXCHANGE¹

Khartoum Stock Exchange, an institution concerned with regulating and supervising listed Sudanese securities such as government stocks, sukuk, or investment funds, regulating the sale and purchase of securities to serve the Sudanese economy, and providing an attractive environment for investment by collecting savings and employing them optimally and preserving the rights of shareholders in companies included.

Serious steps to establish a stock market began in August 1992, in light of the economic liberalization policy advocated by the tripartite economic rescue program (1990 - 1993). The Capital Markets Authority was established in 1992, and in November of the same year, the Council of Ministers approved an amendment to the Securities Market Law of 1982, but this amended law did not fulfill all the purposes of establishing a stock market. In 1994, the National Transitional Council approved the Khartoum Stock Exchange Law, according to which the Khartoum Stock Exchange became an independent legal entity.



¹ <https://www.kse.com.sd/>, 10 September 2024.



FOUNDATIONS AND OBJECTIVES¹

On 01.10.2006 Dr.Al Assad, the President of Syrian Arab Republic issued Decree 55 (Stock Exchange Act) establishing a market for the trade of securities, known as the Damascus Securities Exchange (the Exchange). The Exchange is a public institution. It is self financing although the setup cost and deficit are largely financed by Governmental loans. The intention is ultimately to transfer the Exchange into a shareholding company.

Securities

The Exchange will operate on two tiers: 1. Main market
2. Growth market which consist of: · Growth market A · Growth market B

Vision

Settlement will take place on T+2(which means after the trading session in two days); the Exchange will use a single settlement bank which is The Central Bank of Syria through which all brokers will be required to settle the net position of their transactions.

Mission

Damascus Securities Exchange was established to facilitate the investment of financial resources. Adding to it, it was established to provide and facilitate the required capital to expand the economical activities by implementing an appropriate trading environment for the trading of securities.

The Clearing and Central Depository Center

The Clearing and Central Depository Center was established at DSE and related to it. The Center carries out the registration, ownership transfers, and the clearing and settlement of the traded securities in the market, in exchange for fees determined by its fees rule.

The Center is the only authorized party to register the traded securities rights at DSE.The information recorded in the Center's records and accounts, whether written or electronic records. therefore any documents issued by it are legal evidences of the ownership of the securities, in addition, register and transfer the ownership of traded securities and settle their prices according to the prices and dates specified in such records, accounts or documents, unless proven otherwise.



¹ www.dse.sy, 10 September 2024



ABOUT THE LUSE¹

The Lusaka Securities Exchange Plc (LuSE) is Zambia's main securities exchange. LuSE remains very central to the national economic aspirations of being a platform where ideas meet capital and anchor sustainable business growth and wealth creation. Therefore, it offers clients a wide access to capital markets and liquidity across different asset classes. LuSE operates a broad range of equity, fixed income, and exchange-traded funds/exchange-traded products. For 30 years now LuSE prides in providing a platform that has connected buyers and sellers through financial products, supported by world-class technology and regulatory oversight.

SERVICES AND TRADING PLATFORM

The LuSE has a state-of-the-art trading, clearing and settlement system, provided by Securities and Trading Technology, a leading technology solutions provider. The trading system greatly enhances LuSE's profile as a dynamic and fast developing market, equipped to meet the challenges and technological needs of an increasingly complex local and international capital market environment.

The system provides the LuSE with an integrated trading, clearing and settlement platform with cutting edge capability that includes the following key functions:

- Trading and settlement for instruments such as ETFs, fixed income (corporate and government bonds), commodities on the spot market, and depository receipts.
- Provides multi-asset trading and clearing facilities including Derivatives.
- Provision to both institutional and retail investors of full order management and order placing capacity, coupled with real-time access to market data, as well as third-party prices on a FIX feed.

- Direct Market Access allows investors to trade on the Exchange via web/browser interface with approval of their brokers.
- Investor access to CSD Accounts online, as well as receipt of Accounts Statements by email.
- Has inbuilt and robust surveillance tools and market replay.
- Supports Market Making and Turnaround Trading.

The breadth of capabilities the LuSE's trading system provides are backed by a secure and robust Disaster Recovery Site that places the LuSE at the leading edge of capital market risk management and growth.

HISTORY

LuSE was established with preparatory technical assistance from the International Finance Corporation (IFC) and the World Bank in 1993. The Exchange opened on 21st February 1994. In its first two years of operations the LuSE and Securities and Exchange Commission were funded by the UNDP and Government of Zambia as a project on financial and capital market development in Zambia under the multi component private sector development program.

The formation of the Exchange was part of the government's economic reform program aimed at developing the financial and capital market in order to support and enhance private sector initiative. The Lusaka Stock Exchange was also expected to attract foreign portfolio investment through recognition of Zambia and the region as an emerging capital market with potentially high investment returns. Another important role of the Exchange was to facilitate the divestiture of Government ownership in parastatals and realization of the objectives of creating a broad and wide shareholding ownership by the citizenry via a fair and transparent process. The LuSE activities are regulated by its own regulations and by-laws, along with the rules, orders and guidance of the Securities and Exchange Commission.

¹ <https://www.luse.co.zm/>, 10 September 2024

**Building the Future of the Capital Markets in
Eurasia, Africa and Middle East:
The Role of CSDs**



**MERKEZİ KAYIT
İSTANBUL**

Central Securities Depository
& Trade Repository of Türkiye

**AECSD & AMEDA
İSTANBUL SUMMIT 2024**

2 - 4 October 2024

**BRIDGING MARKETS,
BRIDGING CONTINENTS**



Association
of Eurasian Central
Securities Depositories



AMEDA
Africa & Middle East
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