



# НАЦІОНАЛЬНИЙ ДЕПОЗИТАРІЙ УКРАЇНИ

National Depository of Ukraine

CSD®



## National Depository of Ukraine (NDU)

- NDU was established according to the Law of Ukraine ‘On National Depository System and Peculiarities of Electronic Circulation of Securities in Ukraine’ to ensure functioning of a single depository record-keeping system
- On December 18, 1998, SSMSC and NBU signed an Agreement Establishing National Depository of Ukraine
- NDU registration with the State took place on May 17, 1999
- The State represented by the National Securities and Stock Market Commission owns 25 % of NDU shares. In addition, 25 % of shares belong to the National Bank of Ukraine
- NDU share capital makes up UAH 103 200 000



## Central Securities Depository (CSD)

- On October 12, 2013, the Law of Ukraine ‘On Depository System of Ukraine’ came into force (hereinafter - the Law)
- According to Article 9, part 2 of the Law, CSD is a legal entity which operates in the form of a public joint-stock company under the Law of Ukraine ‘On Joint-Stock Companies’ with consideration of peculiarities set by the Law
- Once CSD GTC are registered by the National Securities and Stock Market Commission in keeping with the stipulated procedure, a joint-stock company is deemed to have obtained a CSD status
- On October 1, 2013, the National Securities and Stock Market Commission registered CSD GTC submitted by NDU (Commission’s Resolution No. 2092 as of 01.10.2013)

## **Membership in International Organizations**

**Today, NDU is a member of the following international organizations:**

- Association of National Numbering Agencies (ANNA)
- European Central Securities Depositories Association (ECSDA)
- International Securities Services Association (ISSA)
- Association of Eurasian Central Securities Depositories (AECSD)

## NDU Activity

**NDU's exclusive terms of reference are as follows:**

- crediting securities into the depositary record-keeping system, their record-keeping, safekeeping, and debiting
- Ukrainian securities numbering (codification) according to international standards
- keeping records of issuer's obligations arising from own issues' securities
- receiving income and other proceeds as a result of issuers' corporate actions
- safekeeping of global certificates and temporary global certificates
- drawing up registers of registered securities owners
- opening and maintaining securities accounts
- implementation of international standards on depositary activity
- customers' depositary activity supervision

## NDU Customers

NDU provides services to the following customers:

- issuers
- the National Bank of Ukraine
- custodians (depository institutions)
- foreign (I)CSDs
- clearing institutions and the Settlement Center



## NDU Links

- Clearstream Banking Luxembourg (ICSD)
- OeKB (Austrian CSD)
- NSD (Russian CSD)
- RUE RCSD (Belorussian CSD)

## Key Services For Issuers

- opening and maintaining issuers' securities accounts
- ISIN, CFI codes allocation
- safe-keeping of issues' global certificates
- servicing transactions related to securities placement on owners' accounts
- servicing on-exchange IPOs
- reflecting issuer's buy-back operations
- reflecting circulation of issuer's securities on the secondary market
- servicing issuer's proceeds and other income payments on outstanding securities
- processing issuer's corporate actions
- drawing up lists of beneficial owners (in soft and hard copies)
- providing statements for their submission to state authorities
- certifying issuers' IPO reports
- providing advisory services



## Key Services For Custodians (Depository Institutions)

- opening and maintaining securities accounts
- executing securities transactions
- processing record-keeping operations related to book-entry securities placement
- securities transactions settlement:
  - *FOP*
  - *DVP*
  - *on-exchange IPOs*
- issuers' corporate actions reflection on depository institutions' accounts
- issuers' corporate actions notifications
- record-keeping of encumbered securities on owners' accounts
- collateral management:
  - refinancing by the National Bank of Ukraine
  - interbank lending
- transferring income to depository institutions' accounts for its further distribution among beneficial owners

## Technological Support

NDU Depository Activity Technological Complex (NDU DPS) was developed within the framework of implementation of the State Program For Development of the National Depository System of Ukraine

- NDU DPS provides for processing of all transactions envisaged in current legal and regulatory acts related to depository activity as well as securities transactions settlement, and includes technological facilities needed for custodians' depository activity
- NDU offers depository institutions and their depositors full-fledged depository servicing of cross-border transactions (via links with foreign (I)CSD by means of S.W.I.F.T.)
- NDU provides custodians with a 'custodian's branch' module for providing services in their remote branches located all over Ukraine

## Secured Electronic Documents Flow

- ***National Information Network and Data Transfer System*** enables stock market participants to use advantages of electronic documents flow, including electronic reporting to state authorities (Regulator)
- ***NDU Backup Datacenter*** is located remotely; in the event of NDU Main Datacenter's outage, a catastrophe-resistant technological software complex provides for the highest level of reliability and continuity of depository activity as well as processing of transactions initiated by stock market participants
- ***NDU Accredited Certification Authority*** provides domestic stock market participants with digital signature and information enciphering services. NDU guarantees compliance of electronic documents flow among domestic stock market participants with the Law of Ukraine 'On Electronic Digital Signature' as well as full confidentiality upon data exchange



# Securities Transactions Settlement

NDU settles the following securities transactions:

- on-exchange DVP/FOP securities transactions
- OTC DVP/FOP securities transactions

NDU receives information on OTC and on-exchange DVP securities transactions from the Settlement Center

NDU receives information on on-exchange FOP securities transactions from stock exchanges

*East European Stock Exchange*

*PERSPEKTYVA Stock Exchange*

*PFTS Stock Exchange*

*Ukrainian Stock Exchange*

***Stock exchanges – NDU partners:*** *Ukrainian International Stock Exchange*

*Kyiv International Stock Exchange*

*Ukrainian Exchange*

*INNEX Stock Exchange*

*Pridneprovsk Stock Exchange*