



Slovakia

Debt and Liquidity Management Agency

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Slovakia - current state

- Revival of capital market after 50 years means to restart from zero
- That is the reason why the process of building-up all legislation and institutions started 14 years ago
- Despite this fact, no clearing house for securities has been established in Slovakia yet



Slovakia - current state of settlement and trading

- Bratislava stock exchange (BSSE) provides only delayed DVP (they check money and securities accounts and give orders to other entities for settlement)
- Modified OTC market in Slovakia (trades are made by Reuters or Bloomberg but all of them have to be registered on BSSE)



Slovakia - current state of bond registration

Shares and bonds are registered in the Central Register of Securities (SCP) (it includes shares as well) and property accounts are owned by all participants of the first and second wave of privatisation (register of securities is not based on the custody principle - i.e. obsolete central depository)



Slovakia - current state of bills registration & primary market

- Bills are registered in the National Bank of Slovakia (NBS) - property accounts are owned by all parties that have signed agreement with the NBS (not based on the custody principle -obsolete register)
- Unsuitable auction system for the primary market of state securities (fax, Excel)



Slovakia - current state of legislation

- All securities are only in dematerialized form
- All trades can be done only on the stock exchange
- Most of bonds on the market (around 90%) are state bonds and most of trades with bonds (above 90%) are not price making trades



Slovakia – solutions for future

- Necessary changes in legislation have been partially done
- SCP has been undergoing the change into the central depository (pyramidal structure based on the custody principle)
- NBS has been accepting the necessary changes in the register of bills (pyramidal structure)



Slovakia – settlement process

- BSSE has been providing DVP, but traders have to be the members of BSSE and have an access to BSSE trading software
- For the future NBS complies to grant the central depository direct access onto traders accounts (accounts in money clearing system) for DVP intention



Slovakia - future trading

- Primary auctions of state securities through Bloomberg auction system
- Introduction of primary dealership
- Introduction of OTC market and other market rules



Slovakia state securities

- Promotion of market liquidity with bigger sized issues
- Unification of tax rates and structure
- Transparency in legislation, market rules and issue schedule
- Accessibility of data
- Communication with investors