Published on (https://www.bnm.md)

Financial Markets Financial education Expand Hide

30.09.2014

The Book-Entry System of Securities

The Book-Entry System of Securities (BES) is a system of depositing and settlement of state securities and certificates of NBM.
BES ensures the depositing and settlement of state securities and certificates of NBM on the primary market, the continuous real-time processing of transfer orders as well as the immediate settlement of operations in the secondary market; the constitution of collateral set up for the operations conducted with the National Bank.
BES was established in 1996 as a result of the IMF'assistance (IMF/US Treasury project donor). Afterwards, BES has been updated by the specialists of the IT Department of BNM.
The National Bank, acting as the manager of the BES, sets the conditions for participation in BES, the processing and settlement procedures within the BES, in accordance with the Regulation on Book Entry System of Securities [1] , manages and monitors system operation, make the necessary arrangements for the administration and management of risks.
BES is an indirect holding system structured on 2-tiers. The National Bank is responsible for the registration of the property right of the BES participants on the securities, and the participants are responsible for the registration of the property right over securities of its clients.

Participation in BES

Currently, participants in the BES are: licensed banks, the Guarantee Fund of Banking Deposits, the National Bank of Moldova, the Ministry of Finance.
The participant must conclude a contract with the National Bank, to hold at least an account of securities and a settlement account opened at the National Bank.
In BES at the National Bank may be opened personal accounts in which will be registered the state securities of legal persons who opened a settlement account at any bank- primary dealer and will hold state securities amounting to MDL 25 million at least on an average per quarter.
At the end of the year 2012, there were 17 participants registered into BES.

Specific functions of BES:

1. **Organisation and management of the register:**

• evidence of the participants, of the transactions with financial instruments deposited in BES, of

the state securities in circulation [2] .

• reconciliation with issuers of securities deposited in BES.
• reconciliation with participants who keep evidence in the 2nd tier of BES.
BES provides recording the results of the auction/subscription, payment of interest (coupon) on government bonds, partial/full redemption.

2. Settlement of securities operations

BES processes operations performed by participants in the secondary market (sale/purchase transactions, creation and execution of financial collateral arrangements, repo and reverse repo operations and portfolio transfers).
Secondary market transactions are settled in T+0, in accordance with the principle of DvP 1 model. Transfer of funds related to the transaction with securities is made in Automated interbank payments system (AIPS).

The transfer of securities and settlement take place simultaneously and are completed when the respective securities accounts and settlement accounts of the participants are credited and debited.

3. Additional functions:

- Data archiving;
- Automatic fees calculation;
- Statistical reports.

Operating program

BES operates daily, from Monday to Friday inclusive, between 8:15 a.m. and 17:00 p.m. (local time), except holidays.

Participants can initiate transactions with securities as follows:

1) transactions FoP from 9:00 a.m. till 16:15 p.m;
2) transactions DvP from 9:00 a.m. till 15:00 p.m.,
with the registration of the securities in accounts maintained in BES until 16: 45 p.m.

System availability

In 2012, the system availability for participants stood at 100%, the value of this indicator being calculated as a ratio of the real operating duration of system to the scheduled operating duration.

Business continuity

Continuity and security incidents relating to BES at the National Bank are being resolved urgently, in accordance with internal plans and procedures of continuity and security of the National Bank.

Risk management

The management and risk control are carried out in accordance with the provisions of the Regulation on Risks Management in the Book-Entry System of Securities [3].

Pricing policy

BES applies a transparent pricing policy (Attachment no.20 [4]at the Regulation on Book Entry System of Securities).

BES contact

General questions on BES can be sent to the NBM to: sic_support@bnm.md [5]

Tags

ss [6]

State' securities [7]

book-entry [8]

system [9]

Certificates of National Bank of Moldova [10]

CNB [11]

Source URL:
https://www.bnm.md/en/content/book-entry-system-securities

Related links:

[1] https://www.bnm.md/en/content/regulation-book-entry-system-securities-approved-dca-nbm-no-250-october-25-2012 [2] https://www.bnm.md/bdi/pages/reports/dop/DOP12.xhtml?id=0&lang=en [3] https://www.bnm.md/en/content/regulation-risks-management-book-entry-system-securities-approved-dca-nbm-no161-august-8 [4] https://www.bnm.md/files/normative_act/anexe_reg_sic_ro.pdf [5] mailto:sic_support@bnm.md [6] https://www.bnm.md/en/search?hashtags[0]=ss [7] https://www.bnm.md/en/search?hashtags[0]=State' securities [8] https://www.bnm.md/en/search?hashtags[0]=book-entry [9] https://www.bnm.md/en/search?hashtags[0]=system [10] https://www.bnm.md/en/search?hashtags[0]=Certificates of National Bank of Moldova [11] https://www.bnm.md/en/search?hashtags[0]=CNB