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The Single Central Depository of Securities carried out the first settlements for stock exchange transactions

The Single Central Depository of Securities (SCD) carried out the first settlements with securities for the operations concluded on stock exchange. The SCD has initiated operations with corporate financial instruments since the beginning of this month along with receiving registers of securities holders of the banks and insurance companies. Over the same time, the SCD took over all the settlement functions of the stock exchange transactions.

The Single Central Depository of Securities has a modern information system that offers new facilities to the market participants. It is linked to the NBM Payment System guaranteeing automatic settlement of payments under the “delivery versus payment” mechanism. This system allows remote access of brokers and online administration of financial instruments. The facilities provided by the SCD significantly extend the transactional possibilities and, at the same time, ensure a high level of protection and security.

On a provisional basis, the SCSD shall preserve the T+3 period (three days after the completion of the transaction), to settle the stock exchange transactions. Subsequently, starting with September this year, the SCD shall switch to the T+3-settlement model, which is similar to the European Union practices and regulations. The new settlement model will increase the liquidity of the market and mitigate the risk of non-payment for operations with financial instruments.

The creation of the SCD is one of the key reforms of the Moldovan financial market, achieved under the International Monetary Fund programme and with the support of the USA Agency for International Development (USAID). The new supervisory and settlement mechanism provided by the SCD will ensure a higher level of transparency, security and efficiency in conducting operations with securities. The activity model of the SCD is based on international standards and practices in the field of settlement systems and the national legislation on SCD transposes the applicable regulations of the European Union.

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