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# Cbonds Annual Conference

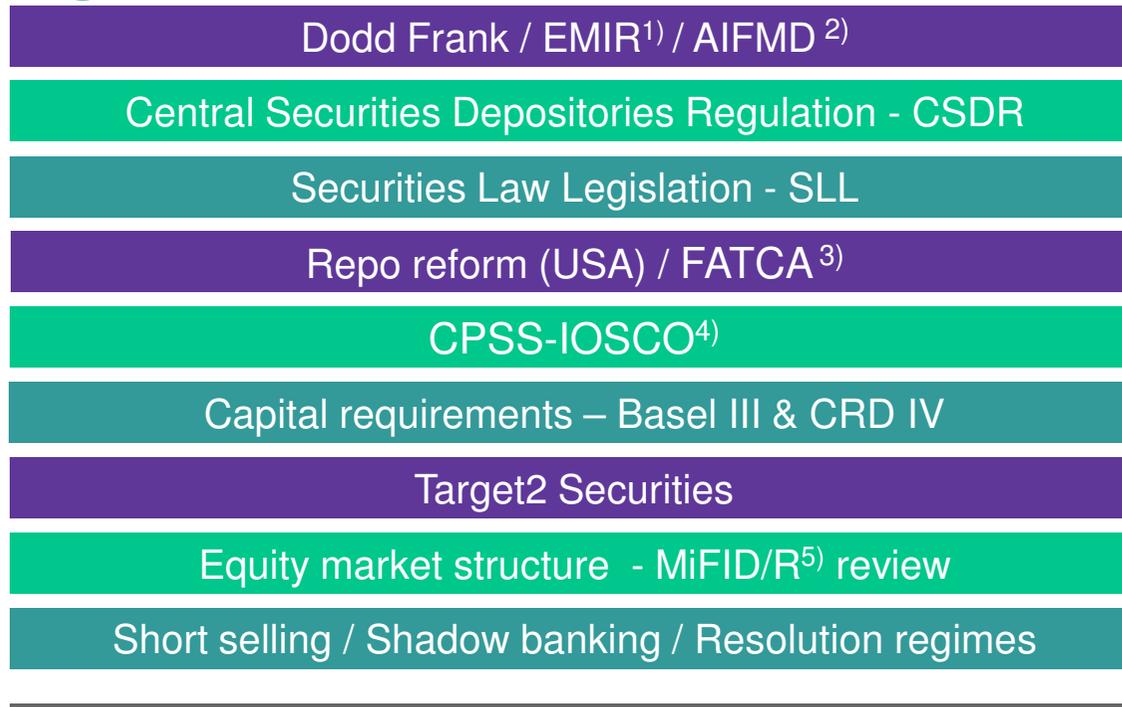
## External Debt Markets: Funding in New Regions, Infrastructure Challenges

**Jan Willems**

**Vice President, Clearstream Banking S.A.**



# The view from Europe/US: The regulatory agenda drives the need for change, impacting debt issuance



Other regulatory influences, either current or in discussion include:

- Financial Transaction Tax
- Solvency II
- UCITS V & VI ⁶)

Degree of change over time



1) European Market Infrastructure Regulations (EMIR)    4) Committee on Payment and Settlement Systems-International Organization of Securities Commissions (CPSS-IOSCO)  
 2) Alternative Investment Fund Managers Directive (AIFMD)    5) Markets in Financial Instruments Directive/Regulation (MIFID/R)  
 3) Foreign Account Tax Compliance Act (FATCA)    6) Undertakings For The Collective Investment Of Transferable Securities (UCITS)

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# Impact on Market Infrastructure

View from the ICSDs after 10 years involvement in the CIS region

**All Issuers, either in International Market or Domestic Markets want to:**

- Attract a maximum of Foreign Direct Investment
- Create a mature capital market for local and foreign participants
- Provide a local direct alternative and compete with foreign issuers

**BUT:**

- Debt market participant demands are increasing due to regulation
- Volatile nature of Emerging Markets, “Who is hot and Who is not?”
- In certain markets, foreign banks leave the local scene, creating provider choice gaps

# Recent Examples of Infrastructure Hurdles Impacting Debt Issuance in CIS

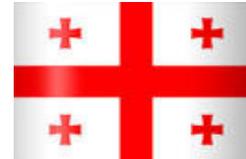
- Lack of foreign correspondent banks to launch local issues (Eurobonds).



- Split CSD functions



- No ICSD cash clearing functionality



- Lack of Euroclear/Clearstream Bridge

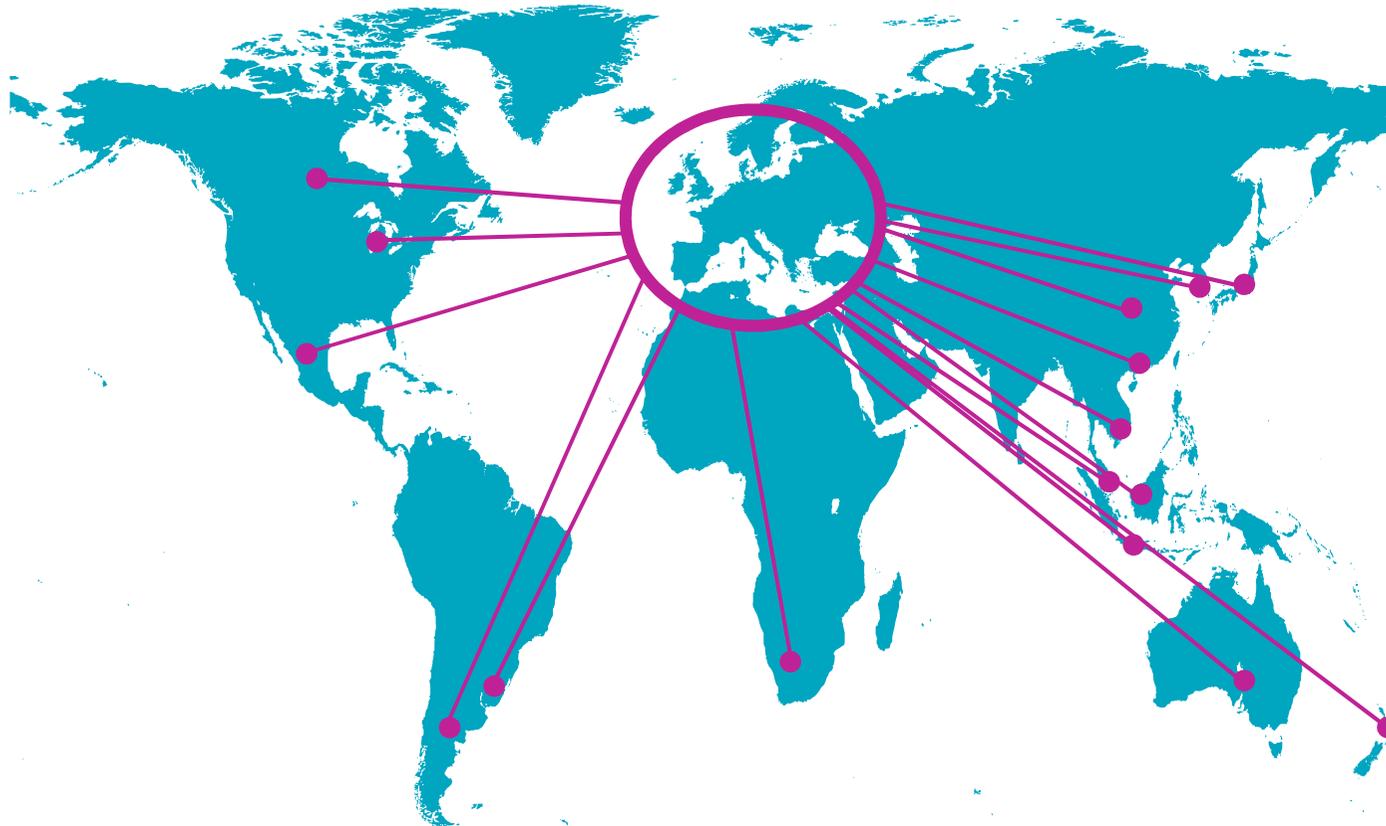


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# Single point of access to 54 domestic markets worldwide

33 markets in Europe 21 worldwide



- Austria
- Belgium
- Bulgaria
- Croatia
- Cyprus
- Czech Republic
- Denmark
- Estonia
- Finland
- France
- Germany
- Greece
- Hungary
- Iceland
- Ireland
- Italy
- Latvia
- Lithuania
- Luxembourg
- Malta
- Netherlands
- Norway
- Poland
- Portugal
- Romania
- Russia
- Slovakia
- Slovenia
- Spain
- Sweden
- Switzerland
- Turkey
- United Kingdom
- Argentina
- Australia
- Brazil
- Canada
- China
- Dubai
- Hong Kong
- Indonesia
- Israel
- Japan
- Malaysia
- Mexico
- New Zealand
- Philippines
- Singapore
- South Africa
- South Korea
- Taiwan
- Thailand
- Uruguay
- USA

+ the International market and Global Emissions Market

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## Russia: Clearstream Coverage Summary

- ❑ Clearstream has a full link (securities and cash) to Russia:
    1. Eligibility of RUB as settlement currency.
    2. Direct link for equities via a nominee trading account.
    2. Direct link for debt securities via a nominee trading account.
  - ❑ Both accounts are operated by Deutsche Bank Ltd, Moscow.
  - ❑ Securities eligible in the Russian link are as follows:
    1. Equities,
    2. Government bonds (OFZ),
    3. Municipal bonds (regional government debt securities considered as tax-exempt),
    4. Corporate bonds.
  - ❑ Corporate Actions, Proxy Voting and Tax services.
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