

Romania



**Structural changes in the region
Romanian Capital Market**

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- Bucharest Stock Exchange Today
- Possible new architecture of the Romanian Capital Market
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Legal framework of the Romanian Capital Market

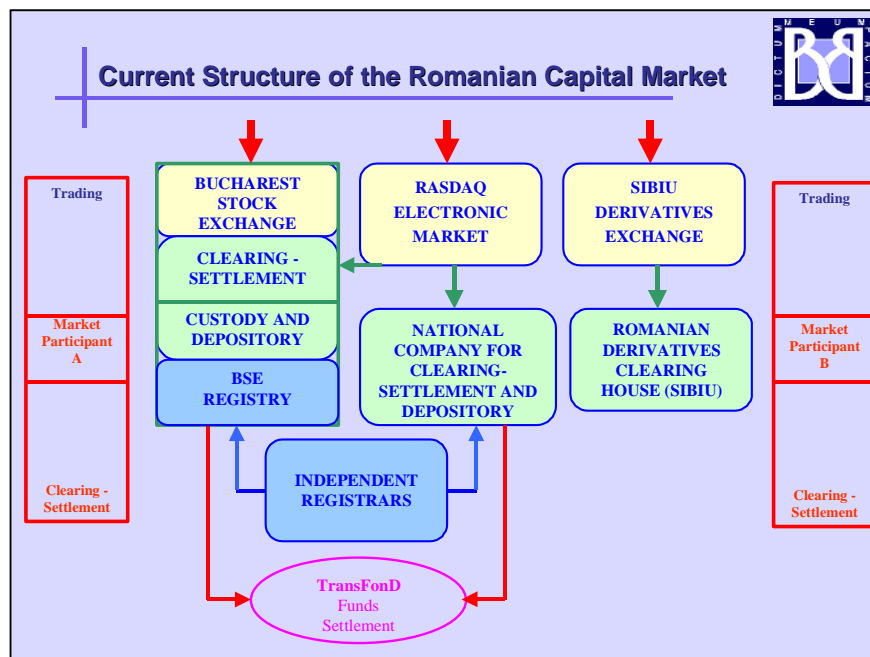


- A new Law regarding the capital market came into force in July 2004: Law 297/2004
- The new Law transposes into the national legislation the European Union Directives regarding the capital market
- The Law extends the authorization as intermediary on the Romanian capital market to:
 - credit institutions authorized by the Romanian Central Bank
 - entities authorized in Member States to carry out investment services

Legal framework of the Romanian Capital Market

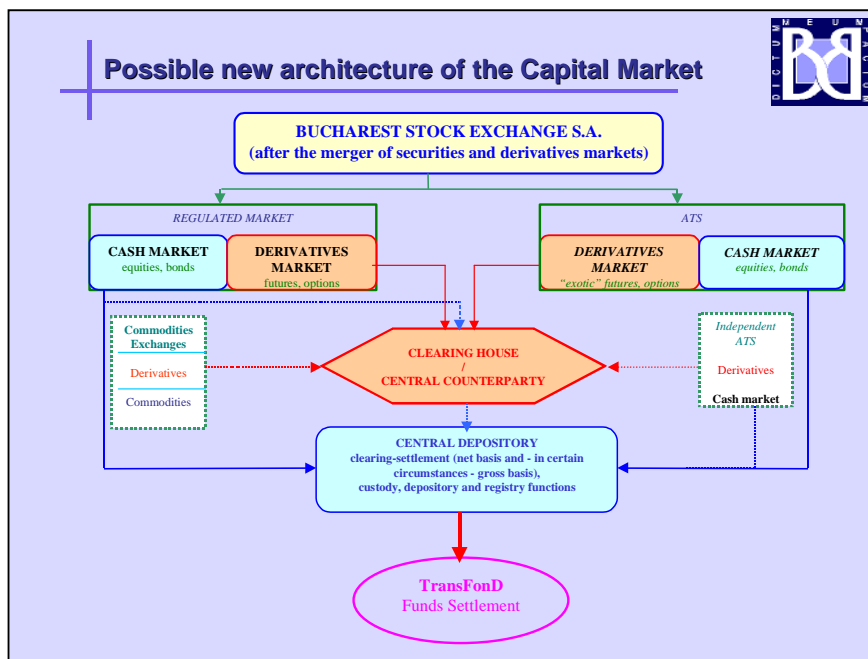


- The Law provides the framework for establishing new market institutions:
 - Market Operator
 - Central Depository
 - Central Counterparty
- The Law introduces the terms of:
 - Regulated Market
 - Alternative Trading System
- The specialization of the market institutions in providing limited functions - required by the Law - will change the architecture of the Romanian capital market

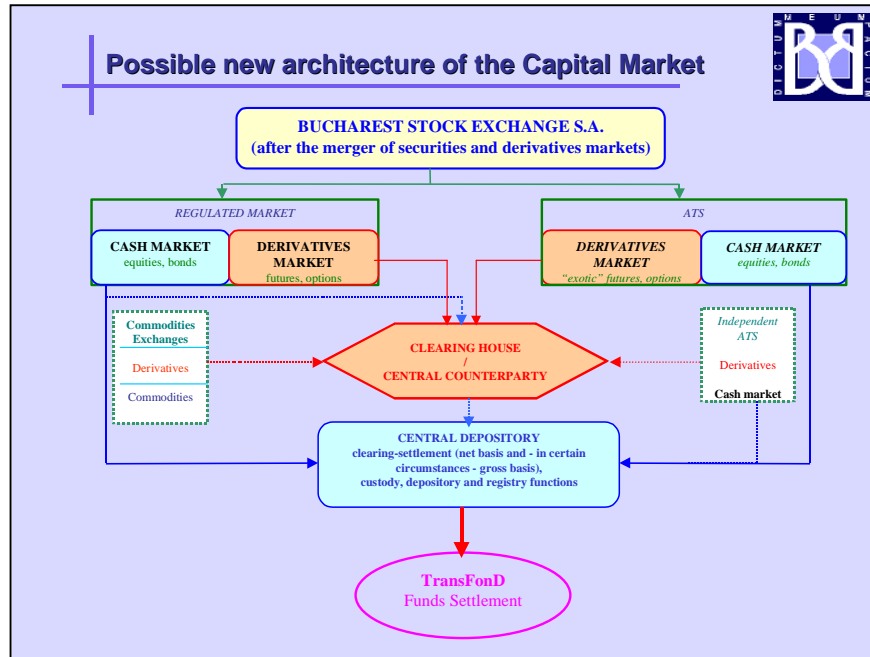


Bucharest Stock Exchange Today

- **BSE is the main securities market in Romania**
- **BSE is a self-financed and self-regulated institution**
 - BSE issues rules that are subject to the BSE Board and the Romanian National Securities Commission approval
- **BSE operates as an integrated entity**
 - Trading
 - Clearing - Settlement
 - Custody and Depository
 - Registry
- **BSE is undertaking a transformation process from a not-for-profit institution of public interest to a joint-stock company**
 - provides services to investors, issuers, brokerage houses, custodian banks and for the public at large



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- Bucharest Stock Exchange Tomorrow**
- The growth of the Romanian economy and the development of financial markets in the last years are the basis for a new **Strategy of Developing the Securities Market in Romania**
 - The merger of Bucharest Stock Exchange and Rasdaq Electronic Market will set up a sole securities market in Romania
 - The further merger with the Sibiu Derivatives Exchange will create a unique market for securities and derivatives
 - Bucharest Stock Exchange will have to externalise the post - trading operations to the Central Depository
 - BSE is intending to become a controlling/majority shareholder of:
 - The Romanian Central Depository (CSD)
 - The Romanian Derivatives Clearing House (Sibiu)



**Thank you
for your attention**

Questions?