

# SEE Markets Road Show SLOVENIA

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London, September 10<sup>th</sup> & 11<sup>th</sup> , 2013

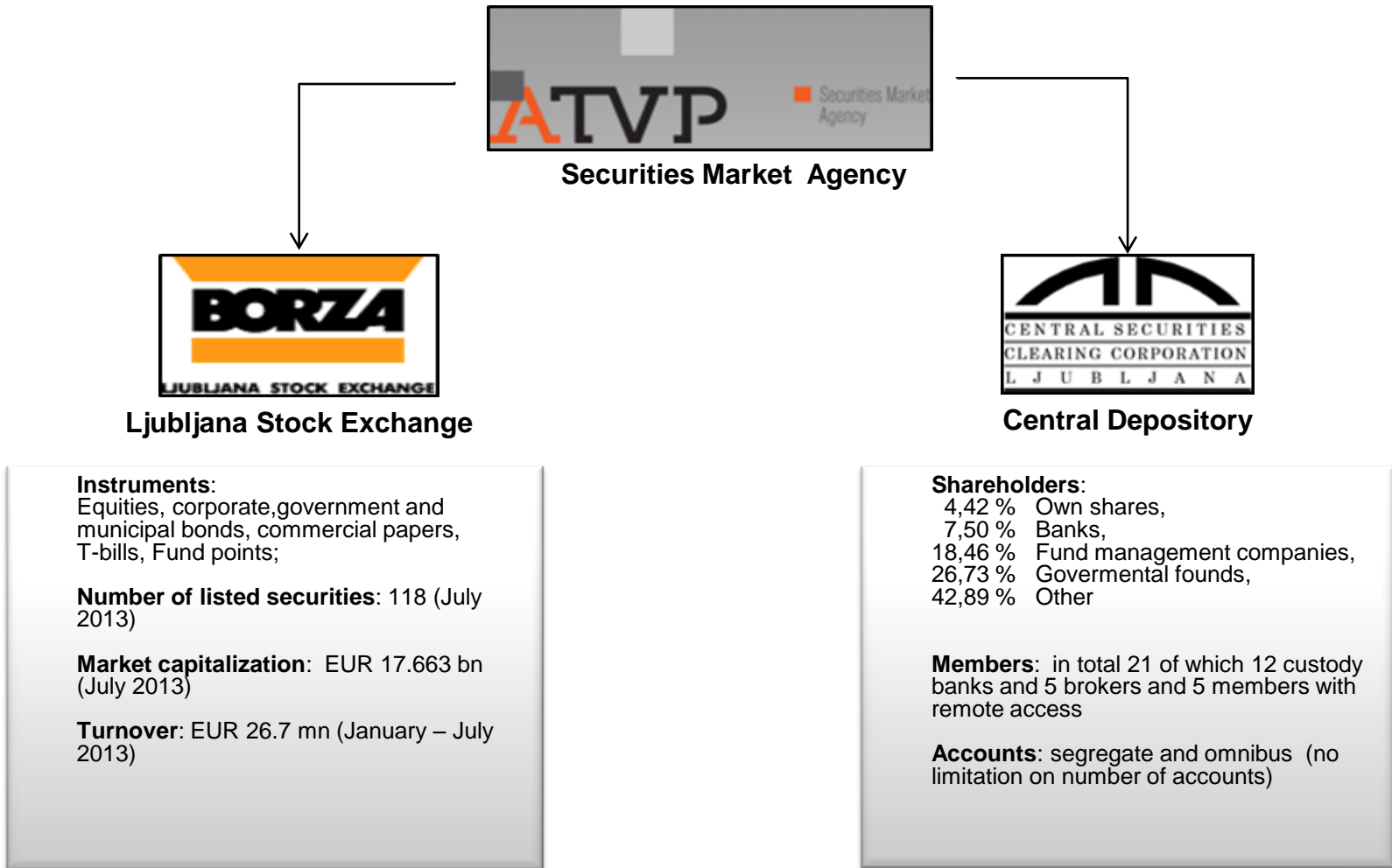
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Vanda Močnik Kohek – Head of GSS Slovenia

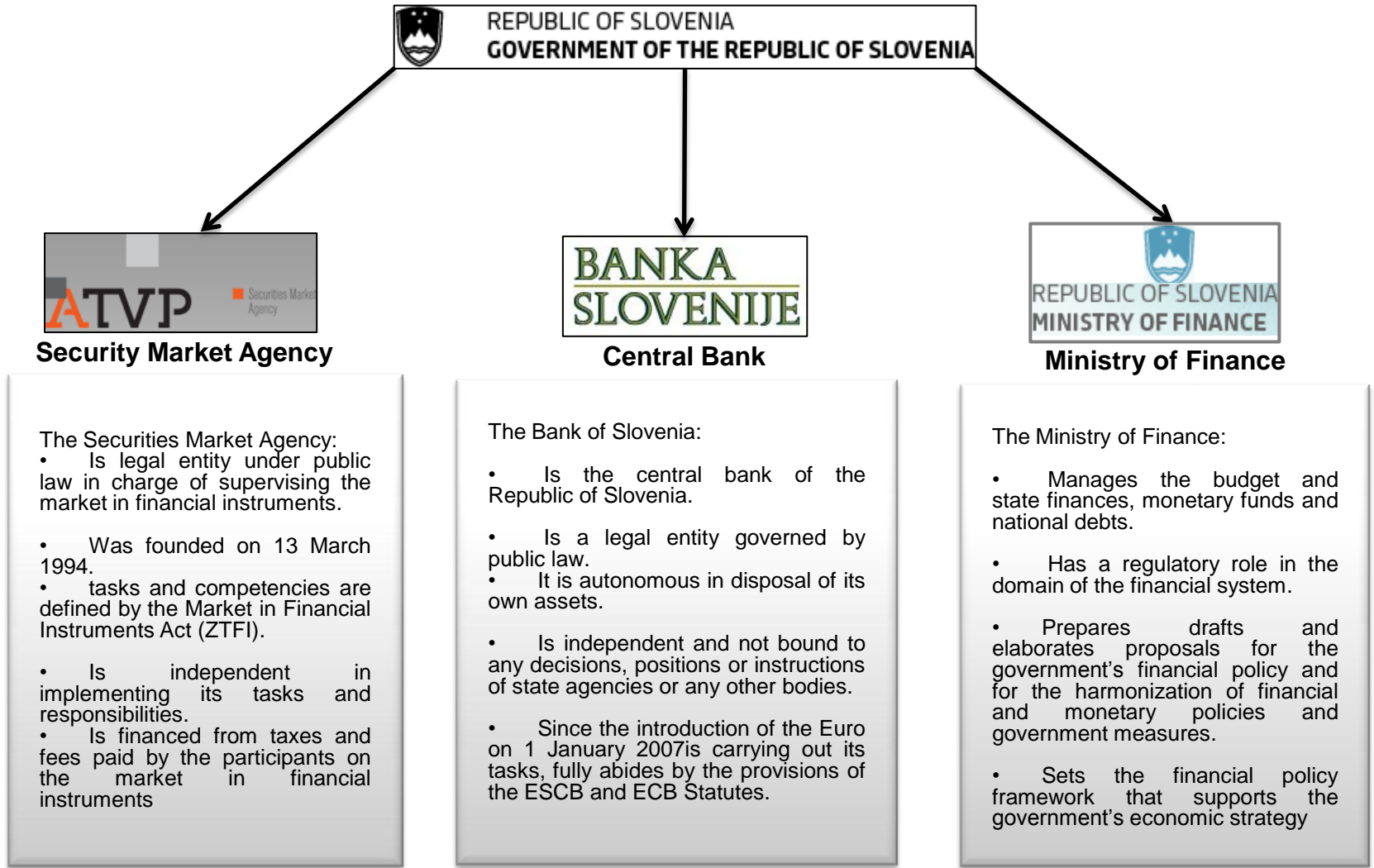
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# The Market Structure – Slovenia

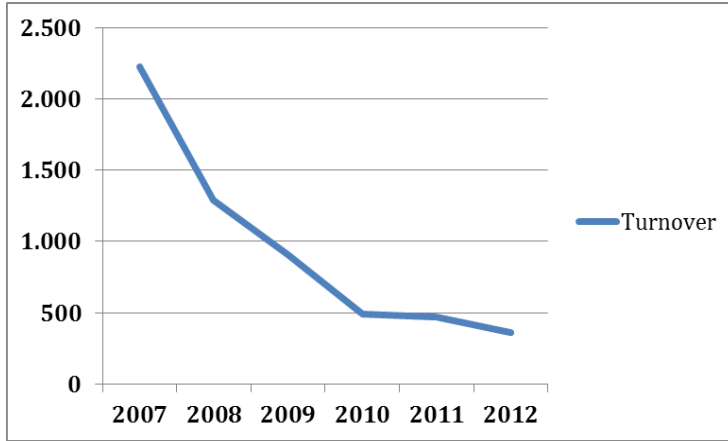


# Market Infrastructure – Regulators



# Market Trends on Ljubljana Stock Exchange

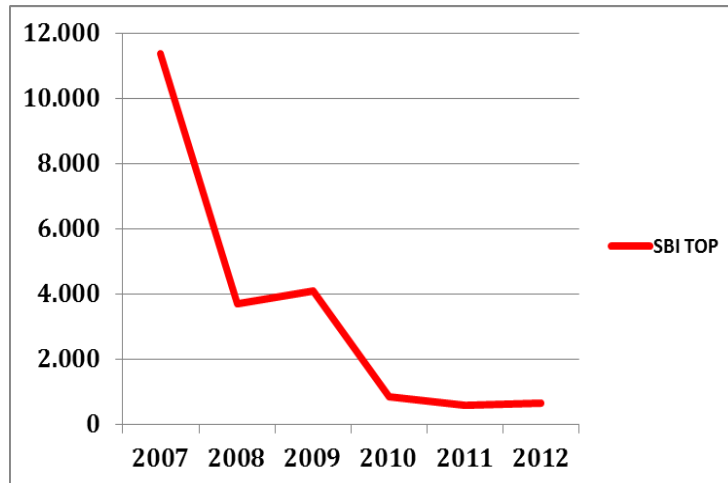
■ Turnover in Million EUR



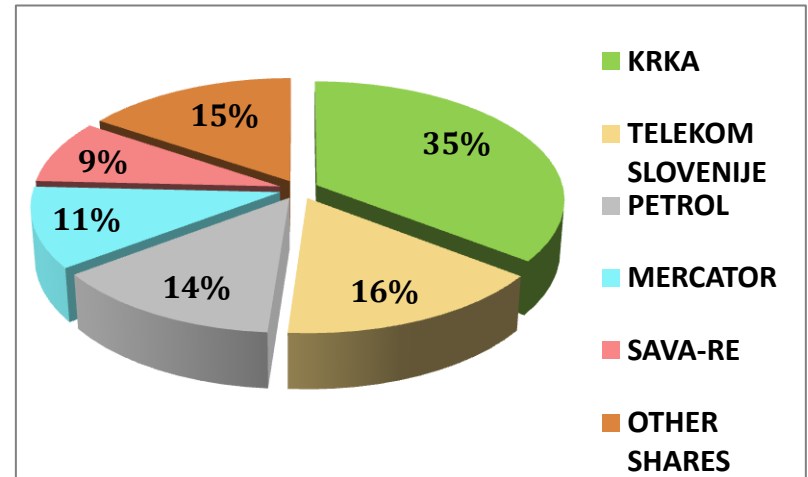
■ Market Capitalization in Million EUR



■ Movement of Slovene Blue-Chip Index - SBI TOP



■ Shares by turnover in July 2013



# Major Market Issues - Slovenia

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- Slovenia is EU member since 2004 and EMU member since 2007 when EUR was adopted. FX risk is abolished. Settlement of securities is executed in EUR.
  - Flexible account structure on the market. Omnibus and segregated accounts can be opened at the CSD level. Account holder is allowed to open several segregated or fiduciary accounts at CSD.
  - Tax procedure for segregated and omnibus accounts is in a place. Tax relief at source, quick tax refund, tax refund and tax exempt are possible since mid of 2010.
  - Ljubljana SE is 100% owned by CEESEG AG.
  - Settlement of LjSE trades is mandatory on T + 2. Subcustodian is liable for the settlement. Borrowing and lending of securities is possible, but not supported by Slovene CSD. Buy-in and Sell-out procedure are in a place.
  - OTC trading is possible. LjSE offers two types off exchange trading: cross-trading and regulated trading. OTC trades could be settled as LjSE trades, DVP/RVP or FOP.
  - Assets protection - The segregation of assets between members and underlying clients is compulsory at the KDD level. All assets are held on the security accounts opened at the CSD in the name of custodians or in the name of their underlying customers. Assets on security accounts aren't part of the bankruptcy mass.
  - Investment restrictions for foreign investors are the same as for local ones with exemption of investments into military industry which requires Government approval.
  - There is no standard procedure for most of corporate actions and documentation is required for most of CA.
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# Expected changes in the next 24 months

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## ■ Expected changes in the regulatory and tax environment

- EMIR regulation in process of implementation
- AFIMID implementation
- EFTT – Slovenia is among 11 EU countries which agreed to implement the EFTT. It is predicted to implement EFTT on 1 July 2014
- FATCA – will be implemented in July 2014. UCB group will be FATCA complaint. Slovenia will sign IGA modul 1 with IRS

## ■ T2S

- Expected integration in T2S in 4th wave at the beginning of year 2017
- Layered model will be used for connection with T2S due to prevailing segregated account structure
- CA platform will be implemented in 2017 – data base where all information on the issuers will be available
- At the moment CSD is working on four major types of CA (mandatory reorganizations, voluntary reorganizations, payments (dividend, interest), issues and redemptions of securities)
- Draft changes on Dematerialized Securities Act and Takeover Act

## □ Impacts on clients

- Slovene market regulation in line with EU regulations.
- Additional taxation of transactions with securities and derivatives.

## □ Impacts on clients

- Settlement of securities, registered in the CSD will be executed in T2S.
- Harmonisation of CA processes with international standards.
- CSD will be central source for all CA.

# The major challenges - Slovenia

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## ■ The major challenges in the coming 12 months:

1. Implementation of EFTT
2. FATCA implementation
3. T2S implementation
4. Harmonization of CA process
5. Further process of privatisation

## ■ Lobbying for:

1. Lobbying against EFTT
2. Cooperation with MoF and Tax Administration in process implementation
3. Participation in NUG
4. Participation in MIG



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