
September 6, 2005

ECSDA AND CEECSDA JOIN AS PARTNERS IN NEW ENLARGED ASSOCIATION

ECSDA (the European Central Securities Depositories Association) and CEECSDA (the Central and Eastern European Securities and Clearing Houses Association) have decided to join together to form a new, enlarged association of European CSDs.

This decision has just been sealed by a letter of intent signed this morning.

For each association, this partnership makes sense :

- it highlights the strong will of each of the members of the two associations to work on the same objectives : to provide advice at international level on technical, economical, financial, legal and regulatory matters to reduce risk and settlement arrangements for securities and related payments across Europe for the benefit of issuers, investors and market participants.
- the new ECSDA will constitute a larger forum of discussion and will provide a single interlocutor for European Authorities. In this way, the new ECSDA intends to facilitate the access to information relating to its members, helping its stakeholders in particular in the framework of consultations, and determining common positions when necessary.

The 37 members all agree to promote :

- a process flow that ensures the highest efficiency with a low risk profile,
- a level playing field with the highest standards for entities providing custody, pre-settlement and settlement services,
- common standards to reduce/remove barriers to cross border settlement,
- the exchange of information on legal, tax, regulatory framework and market practices to foster the process of harmonisation across Europe,
- international cooperation.

The new ECSDA wants to foster continuous improvement amongst its different members. One of the key objectives of the new Association will notably be to help the players of Central and Eastern EU capital markets meet the expectation of EU integration and world-wide globalisation within the framework of a regional organisation.

To create the new partnership, termination of CEECSDA will take place by the end of 2005 and all current CEECSDA members will join ECSDA to form the new ECSDA as of the 1st of January 2006. The number of ECSDA members will therefore increase from 19 to 37 CSDs (Central Securities Depositories).

ECSDA and CEECSDA members have decided that a new logo be created for the new Association, showing the importance they give to this move.

Contact Details

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Letter of Intent

Between:

The European Central Securities Depositories Association (ECSDA)
(ECSDA aisbl²
European Central Securities Depositories Association
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Phone: +32 2 702 54 11 Fax: +32 2 702 55 01 website: www.ECSDA.com
Fortis Bank: 210-0819869-77 IBAN: BE80 2100 8198 69 77 RPR/RPM: 0464.619.112)

and

The Central and Eastern European Central Securities Depositories and Clearing Houses Association (CEECSDA)

(Central and Eastern European Central Securities Depositories and Clearing Houses Association
1075 Budapest, Asboth u.9-11)

(Hereinafter “the Parties”)

The Parties to this Letter of Intent agree to the following:

Article 1. Purpose and scope

1. Having in mind in particular to proceed with ever-closer co-operation between the current ECSDA and CEECSDA organisations, as both bring together the central securities depositories of European countries, covering similar aims and scope of business and as both Associations have very similar objectives, the Parties hereby declare that ECSDA and CEECSDA intend to join their organisations into one Association.
2. Having in mind legal regulations, the Parties have agreed that the decision to join their organisations together into one Association shall consist of the termination of CEECSDA performing its activities before the end of 2005 and that all current CEECSDA members which perform the function of central securities depository and which will meet ECSDA membership requirements, will be eligible to join ECSDA on the date of the General Meeting of ECSDA planned for January 2006, by applying for membership.

Article 2. Conditions and Arrangements

1. ECSDA shall make all necessary efforts to receive into ECSDA all members of CEECSDA (according to the principles defined in Article 1 section 2) and shall inform the members of CEECSDA of the membership requirements, send them necessary documentation and provide them with essential information.
2. CEECSDA shall send its members information and documentation, in addition to explanatory materials provided by ECSDA, shall gather and send either collectively or in several stages the applications of its members for membership of ECSDA.
3. ECSDA shall take all necessary measures to amend its Articles of Association accordingly in a manner agreed by the Parties, in particular as regards:
 - a) Introducing two levels of membership (Full and Associated membership)
 - b) Introducing two levels for the annual contribution.

The new Association's operations shall be financed by a mandatory annual contribution paid by all members (Full and Associated members).
The Parties agreed that each year, the General Meeting shall determine the amount of the members' annual contribution. The level of the annual contribution - to be included in the new Articles of Association - may not exceed 10,000 euros for Full members and 4,000 euros for Associated members. It was also agreed that the annual contribution of Associated members be 1,000 euros for 2006.
The Parties agreed that CEECSDA members which will join ECSDA on the date of the General Meeting of ECSDA planned for January 2006, will pay for the annual contribution upon receipt of the invoice issued immediately following this date.
 - c) Introducing separate obligations for Full and Associated members.

Full members and Associated members will attend the General Meeting with a voting right. Full members will attend Board of Directors meetings with a voting right, while Associated members will have the status of observers.
 - d) Informing of the decision made by the Parties to join together on the ECSDA website.
 - e) Introducing an additional paragraph to the ECSDA Articles of Association, which adds the following rule to the scope of activity of ECSDA: helping the members from Central and Eastern Europe to meet the expectations of European Union integration and world-wide globalisation within the framework of a regional organisation.
4. The Parties agreed that ECSDA will participate financially in the organisation of the General Assembly and Board of Directors' meetings with a maximum expenditure set according to the rules defined in the ECSDA by-laws.
5. The Parties agreed to increase the number of members of the present ECSDA Steering Group (from 4 to 8) by four representatives from CEECSDA.

Therefore CEECSDA shall, within the applicable period provided by legal regulations and applicable to the scope of its activities, establish a list of four candidates, amongst the CEECSDA Full members, so that these four candidates be officially elected as members of the Steering Group at the first Board of Director's meeting of the Association, according to the principles specified in the ECSDA Articles of Association.

6. CEECSDA shall terminate its activities according to the provisions of Hungarian law. The Parties accept that the provisions of Hungarian law, and accounting and tax regulations may result in CEECSDA formally continuing to exist even after its members have become members of ECSDA. However, the intention of the Parties is to terminate the activities of CEECSDA as soon as legally possible and to pay the appropriate amount of its liquidated assets to its former members.
7. The parties jointly decided that a new logo be created for the "new" ECSDA, showing the importance they give to this partnership.

Article 3. Disclosure

1. The Parties confirm that their intentions included in this Letter of Intent shall be made available to the public on the date of the signing of this Letter of Intent.
2. The Parties agree that information pertaining to the provisions of this Letter of Intent shall be made public at a joint press conference.

Article 4. Timing

1. Not later than September 1, 2005 ECSDA shall provide CEECSDA with membership application forms and CEECSDA shall distribute them to its members.
2. Not later than December 1, 2005 CEECSDA shall collect the membership application forms and send them to ECSDA.
3. ECSDA shall take all available measures to ensure that the members of CEECSDA, which provided correctly completed membership application forms, shall receive full/associated membership in ECSDA on the date of the General Meeting of ECSDA planned for January 2006.
4. At the latest 7 working days before the Board of Directors of ECSDA planned for January 2006, CEECSDA shall communicate to ECSDA a list of four candidates for the Steering Group, as specified in the provisions of Article 2 Sec.4.
5. Subject to further agreement, the Parties shall declare their intention to hold a press conference, referred to in Article 3 Sec. 2, on the date of signing of this Letter of Intent.

Article 5. Others

This Letter of Intent is not intended to and does not create a legal or binding commitment between the Parties, however, the Parties hereby express their intention to execute its provisions within the dates specified in Article 4.

Signature _____

Signature _____

For and on the behalf of ECSDA
Date: _____

For and on the behalf of CEECSDA
Date: _____



List of ECSDA members

Central Securities Depository SA

Maurokordatou Sq & 17 Achamon Street
10 438 Athens
Greece

www.hcsd.gr

CIK SA

Avenue de Schiphol 6
1140 Brussels
Belgium

www.cik.be

Clearstream Banking AG

Neue Börsenstrasse 1
60487 Frankfurt am Main
Germany

www.clearstream.com

Clearstream International SA

42 boulevard John F. Kennedy
L-1855 Luxembourg
Luxembourg

www.clearstream.com

CrestCo Ltd

33 Cannon Street
EC4M 5SB London
UK

www.cresto.co.uk

Cyprus Stock Exchange

Kampou Street, 2nd floor, Strovolos
(PO Box 25427)
1309 Nicosia
Cyprus

www.cse.com.cy

Euroclear France

115, rue Réaumur
75081 Paris Cedex 02
France

www.euroclear.com

Euroclear Nederland

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1000 GD Amsterdam
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www.euroclear.com

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Iberclear

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28020 Madrid
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www.iberclear.com

Interbolsa

Avenida da Boavista 3433
4100-138 Porto
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www.interbolsa.pt

Monte Titoli SPA

Via Mantegna 6
20154 Milan
Italy

www.montetitoli.it

Oesterreichische Kontrollbank AG (OeKB)

Strauchgasse 1-3
1010 Wien
Austria

www.oekb.at

SIS Group (Swiss Financial Services Group AG)

Brandschenkestrasse 47
8022 Zürich
Switzerland

www.sisclear.com

SUOMEN ARVOPAPERIKESKUS

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www.ncsdgroup.com

Verdbrefaskraning Islands**Iceland's Securities Depository Ltd**

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www.vbsi.is

Vaerdipapircentralen A/S - VP Securities Service

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2630 Taastrup
Denmark

www.vp.dk

Verdipapirsentralen ASA

Biskop Gunnerus gate 14A
0051 Oslo
Norway

www.vps.no

VPC AB

Regeringsgatan 65
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103 97 Stockholm
Sweden

www.ncsdgroup.com

- **Full members**

Central Clearing House and Depository (KELER) Ltd.

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1075 Budapest,
HUNGARY

www.keler.hu

Central Depository Agency Inc. (SDA)

Ksaver 200
10000 Zagreb
CROATIA

www.sda.hr

Central Securities Clearing Corporation (KDD)

Tivolska 48
1000 Ljubljana
SLOVENIA

www.kdd.si

Central Securities Depository AD (CD AD)

31, Tzar Ivan Shishman Street
1000 Sofia
BULGARIA

www.cdad.bg

Central Securities Depository of Lithuania (CSDL)

Konstitucijos pr. 23.
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LITHUANIA

www.lt.omxgroup.com

Centre for Securities of the Slovak Republic (CDCP SK)

29. Augusta 1/A
814 80 Bratislava 1
SLOVAK REPUBLIC

www.cdcp.sk

Estonian CSD Ltd. (ECDS)

Tartu St. 2,
10145 Tallinn
ESTONIA

www.ee.omxgroup.com

Latvian Central Depository LCD

Vainu iela 1
Riga, LV 1050
LATVIA

www.lv.omxgroup.com

National Depository for Securities (KDPW)

4 Ksiazeca Street
00-498 Warsaw
POLAND

www.kdpw.com.pl

**National Securities Clearing, Settlement and
Depository Company (SNRDD SA)**

WTC 10. Montreal Square, Camera 2.23
78334 Bucharest
ROMANIA

www.sncdd.ro

Bucharest Stock Exchange (BSE)

8 Doamnei Street,
70421 Bucharest
ROMANIA

www.bvb.ro

**Středisko Cenných Papírů
Securities Centre (SCP)**

Rybná 14
110 05 Praha 1
CZECH REPUBLIC

www.pse.cz

UNIVYC Ltd.

Rybná 14
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CZECH REPUBLIC

www.univyc.cz

▪ **Associated members**

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**CENTRAL SECURITIES DEPOSITORY
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www.crhov.co.yu

**Central Registry of Securities JSC
Republic of Srpska**

Bana Milosavljevica 4
78000 Banja Luka
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www.crhovrs.org

**Registry of Securities of the Federation
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