

The Lithuanian Central Securities Depository, AB Lietuvos centrinis vertybinių popierių depozitoriumas (LCVPD), has opened a new direct settlement link with foreign central depository, namely with the Polish National Depository for Securities, Krajowy Depozyt Papierów Wartościowych S.A. (KDPW).

On 19 November 2010, LCVPD and KDPW signed an agreement on securities accounts handling and on cross border settlement of transactions in the Securities Settlement System (SSS) administered by LCVPD.

This settlement link provides the Lithuanian companies with an opportunity to raise capital in the Polish market and enables listing of Lithuanian securities on the Warsaw Stock Exchange (WSE ).

As a result of several years of discussions between CSDL and KDPW of mutual cooperation, the contract was signed with the Polish National Depository for Securities (KDPW). This collaboration can be developed further for market participant needs.

Next year, after the planned amendments to the legal acts regulating the securities market are approved in Poland, LCVPD is expecting to open an account in KDPW. There are also plans to upgrade the link from a free-of-payment to a for-payment type to give Lithuanian investors full access to the Polish market, in the same way they now have access to the markets in Estonia and Latvia,” added LCVPD President Artūras Keleras.

Currently LCVPD maintains settlement links with the international depository Clearstream Banking of Luxembourg, with Latvian and Estonian central securities depositories and is a participant of the European central bank’s payment system TARGET2 (for euro settlements) and the Bank of Lithuania’s payment system LITAS-RLS (for settlements in Litās).