

CDSC/C.E.OFFICE/CDS

October 9, 2019

TO:

ALL Stakeholders

Nairobi

Dear Sir/Madam,

RE: GO LIVE DATE FOR THE NEW CENTRAL DEPOSITORY SYSTEM (CDS)

The Central Depository and Settlement Corporation Limited (CDSC) received approval from the Capital Markets Authority (CMA) to commission a New Central Depository System (CDS) on 8th October 2019. The approval comes after various successful Dress Rehearsals and User Acceptance Tests (UAT) on the new system functionalities.

CDSC has been working with Perago Financial Systems Enablers Limited, a South African company to develop and customize the new CSD.

Highlighted below are some of the features entrenched in new system:

- ✓ Enhanced Controls through Maker-Checker approvals
- ✓ Enhanced KYC and investor information capture
- ✓ Enhanced security through two-factor authentication
- ✓ Swift and Fix messaging capability
- ✓ Removal of automated Pre-validation of securities
- ✓ Capabilities for Inter-depository linkages
- ✓ Capabilities for Securities Lending and Borrowing, short selling, day trading, over the counter trading (OTC)
- ✓ Support for multiple settlement cycles, multiple markets, and multiple currencies settlement
- ✓ Supports commodities exchange, depository receipts and Government Bonds clearing and settlement

The above features/functionality bring us to alignment with international standards and are in line with the aspirations of the Capital Markets Master Plan



The New System Go Live date is set for **Monday October 14, 2019**. This will be a “Soft” Launch.

After this date, all transactions and processes will be through the new Central Depository System.

We take this opportunity to thank all our stakeholders for your indulgence and cooperation during the systems development phase. We thank the Capital Market Authority for walking with us throughout the new system development, testing and the final approval. We thank all the Central Depository Agents for their corporation and commitment during the system testing and training periods..

We look forward to your continued support and collaboration as we implement a stronger post-trade infrastructure for our capital markets.

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'Hilda Njeru', with a horizontal line underneath the name.

Hilda Njeru

Ag. Chief Executive