



## **OTP Bank Group**

Market: Croatia

Date: 21st October 2022

Category: Market Announcements

### **CDCC Inc. published on their webpage document related to activities planned till end of year 2023, related to euro introduction - update**

#### **Summary:**

Please find updated information from our recent announcement dated from 07th October 2022:

By adapting SKDD's operations to the introduction of the euro as the official currency of the Republic of Croatia and the related eurozone systems, several projects are being implemented with the aim of:

- the introduction of the euro as the official currency in the Republic of Croatia (January 1st, 2023), as a result of which CDCC' operational rules and instructions shall be changed
- joining to the TARGET-HR payment system (January 1st, 2023)
- adjustment of the model of central account management, type and structure of accounts (June 1st, 2023) as a result of which CDCC' operational rules, instructions and price list shall be changed:
  - o introduction of a new type of account - a transaction account,
  - o Introduction of fees for maintenance of account positions for all custody and portfolio accounts
- compliance with the standards for the implementation of corporate actions (September 11th, 2023):
  - o implementation of market claim i transformations,
  - o implementation of SWIFT application for data exchange in accordance with ISO 20022 standard.
- joining to European platform TARGET2-Securities (T2S) (11.09.2023.),
- joining to Eurosystem Collateral Management System (ECMS) (20.11.2023.).



### Update from 07th October 2022.:

As part of the preparations for the introduction of the euro, Central Depository & Clearing Company Inc. (CDCC) identified the main areas and issues concerning the euro introduction within the scope of its business and created a document with detailed explanation of all activities within scope of CDCC till end of year 2023.

Euro should become the official currency in the Republic of Croatia as of 1<sup>st</sup> January 2023.

Main changes and amendments related to operational process within the CDCC, described in this document, are as follows :

- from 2nd of January 2023., all payment transactions related to the securities trading settlement will be carried out in the TARGET-HR system via banks RTGS DCA and the CDCC;
- each CDCC member is required to have its own BIC code and T2S DCA account, which will be opened by the Croatian National Bank at each bank's request;
- from 2nd of January 2023., the mandatory field for matching settlement instructions will be changed to EUR.
- the nominal value of an debt security issued by the Republic of Croatia in kunas will be expressed in euros in the following manner:
  - the nominal value for bonds is determined as the amount of €0.01;
  - the nominal value for treasury bills is determined as the amount of €13,272.2808, with precision to four decimal places.
- testing with CDCC participants will be conducted in the period from 24th to 28th of October, 2022.
- with CDCC joining the TARGET-HR payment system, CDCC made a commitment to provide settlement services on all of TARGET system working days.

Link to this web page is: <https://www.skdd.hr>

**Impact:** For information purposes.

**Required actions:** -



# Global Securities Services

## NewsFlash



**Application date: -**

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