

SECURITIES AND STOCK MARKET STATE COMMISSION OF UKRAINE

RESOLUTION

No 4 of 01.19.2000
the city of Kyiv

Vd20000119 vn4

On approval of the Procedure of approval of documents
of the National Depository of Ukraine by the Securities and Stock Market State Commission

In accordance with the Law of Ukraine “On the National Depository System and Specifics of Electronic Circulation of Securities in Ukraine” (710/97-BP) and the Law of Ukraine “On State Regulation of the Securities Market in Ukraine” (448/96-BP) the Securities and Stock Market State Commission of Ukraine RESOLVES:

1. Approve the Procedure of approval of documents of the National Depository of Ukraine by the Securities and Stock Market State Commission.
2. The National Depository of Ukraine shall submit documents for approval in accordance with the established procedure.
3. The press center shall publish this resolution in accordance with the established procedure.
4. Control over implementation of this resolution shall be charged with commissioner A. Holovko.

O. Mozgovyi
Chairman

Protocol of SSMSC meeting of January 13, 2000 No 2

Procedure of approval of documents of the National Depository of Ukraine
by the Securities and Stock Market State Commission

The Procedure of approval of documents of the National Depository of Ukraine by the Securities and Stock Market State Commission (hereinafter referred to as Procedure) is developed in accordance with the Law of Ukraine “On State Regulation of the Securities Market in Ukraine” (448/96-BP), Decree of the President of Ukraine “On General Principles of Operation of National Depository of Ukraine” (703/99), the Rules of Procedure of the Securities and Stock Market State Commission and the effective legislation of Ukraine.

The procedure shall regulate approval of the documents developed by the National Depository of Ukraine (hereinafter referred to as the National Depository) which according to the effective legislation should be officially agreed upon with the Securities and Stock Market State Commission (hereinafter referred to as SSMSC).

General provisions

1. The documents of the National Depository shall be subject to approval by SSMSC if:
 - the documents relate to the matters of standardization and depository record keeping and documents circulation regarding securities transactions, the procedure of assigning a code to a securities issue and other matters envisaged by the effective legislation;
 - bylaws of the National Depository which relate to depository activities.

- documents are of an interbranch character;
 - work plans regarding:
 - * standardization of depository record keeping of securities in accordance with international standards;
 - * standardization of documents circulation regarding securities transactions and numeration (codification) of the securities issued in Ukraine in accordance with international norms;
 - * establishment of relations and continuous interaction with depository institutions of other countries, conclusion of both bilateral and multilateral agreements on direct membership or correspondent relations for servicing international securities transactions of participants of the National Depository System, control over their correspondent relations with depository institutions of other countries.
2. State registration of the documents approved by SSMSC with the Ministry of Justice shall be made the National Depository.
3. Changes and amendments introduced in the National Depository Charter shall be also subject to preliminary approval of SSMSC.

Procedure of submitting documents

4. The matter of approval of documents shall be considered at an SSMSC meeting.
5. In order to propose a document for consideration of SSMSC the National Depository shall file an application to which it should attach a list of all documents and annexes to them.
6. Documents shall be submitted in a paper and an electronic form.
7. Documents in a paper form shall be submitted in 3 copies (an original and two certified copies). A duly certified copy of a resolution of an appropriate governing body of the National Depository on approval and a covering letter which indicates the under-mentioned shall be submitted to SSMSC together with the document being approved:
- a) substantiation of the reasons for issuance of the document;
 - b) information on the effective acts on this matter;
 - c) information on official approval of the document by the State Committee of Ukraine on Standardization, Metrology and Certification if this matter pertains to approval of standards and by interested bodies irrespective of the fact whether this approval is obligatory according to legislation;
 - d) the last name of the executive and his/her telephone number.
8. A document in an electronic form shall be submitted on two 3.5" computer diskettes in the RTF format.
9. Documents of the National Depository shall be submitted for approval to SSMSC within 5 business days from the date of approval of a relevant decision by the governing body of the National Depository or by its general meeting.
10. Documents shall be checked for completeness and accuracy of their execution. If the documents meet the stated requirements, an official shall make a note of a transfer of the documents to SSMSC management in a covering sheet of document transfer. Otherwise, the documents shall be returned to the National Depository for bringing them in compliance with the stated requirements.

Making of an examination of documents

11. A primary analysis of documents shall be made by the SSMSC Department of methodology and strategy of the development of the securities market.
12. Based on the results of a primary analysis for the purpose of making an examination of a document a working group shall be set up by an order of the SSMSC Chairman. It shall consist of representatives of SSMSC structural units whose competence includes the issue of the document and those of the Department of methodology and strategy of the development of the securities market, Departments of control and legal activities.

13. Consideration of a document shall be provided by the working group within a two month period.

14. If required, the working group may attract experts for evaluation of the document. In this case the time of consideration of the document shall be extended by a relevant order of the SSMSC Chairman.

15. Depending on the results of the examination the working group shall prepare:

- conclusion on approval of the document considered;
- conclusion on refusal to approve the document with indicating the reasons for the refusal.

16. The conclusions of the working group shall be passed to the service of the SSMSC Chairman in accordance with the specified procedure and together with the documents being approved they shall be submitted to an SSMSC meeting.

Approval of documents of the National Depository

17. The matter of approval of a document shall be submitted for consideration of SSMSC in accordance with the procedure envisaged by SSMSC Rules of procedures.

18. Based on the conclusions of the working group SSMSC shall approve a decision on approval of the document, on refusal to approve and/or sending of the documents for its working up.

19. The following may be a ground for a refusal to approve:

a) the document contains the provisions which contradict the Constitution of Ukraine (254k/96-BP) and/or the effective legislation;

b) the document was approved with a violation of the effective legislation;

c) the document is not approved by interested bodies if such approval is obligatory in accordance with the effective legislation;

d) the matter on which the document is prepared is outside the competence of the National Depository;

e) the document does not comply with an SSMSC assignment given to the National Depository.

20. SSMSC shall inform the National Depository of its refusal to approve the document in writing with indicating the reasons for the refusal.

21. The document sent for additional updating shall be submitted for approval for the second time in accordance with requirements of this Procedure.

22. In the event of introducing changes, amendments or if the act of legislation under which the document is worked out is considered invalid, the National Depository shall be obliged within a month to introduce relevant changes or amendments into such a document or to nullify it. After relevant changes or amendments have been introduced the National Depository shall submit the document for approval of SSMSC in accordance with the given Procedure.

23. SSMSC may cancel a decision on approval of a document due to:

- finding of the circumstances which SSMSC was not aware of in the course of approval of the document;

- finding of violations or inobservance of the requirement of item 22 of the Procedure by the National Depository;

- rendering of a court decision on recognizing provisions of the document which came into effect illegal.

24. The documents of the National Depository which passed the SSMSC approval procedure shall be entered into the registry of approved documents.

25. If SSMSC cancels its decision on approval of the document, such a document shall be excluded from the registry of approved documents.

26. SSMSC shall inform in writing the National Depository of cancellation of its decision to approve the document with indicating specific reasons for the cancellation.

27. The document of the National Depository regarding which SSMSC approved a decision to cancel its approval shall become invalid in accordance with the procedure provided for by legislation.

28. The rules and procedures whose establishment is with competence of the National Depository and which are binding for all participants of the National Depository system shall become in force from the date of their publication in an SSMSC official organ in accordance with the established procedure.

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