

CABINET OF MINISTERS OF UKRAINE

RESOLUTION

dated 14 April 2009 # 363

Kyiv

On Introduction of the Institute of Primary Dealers in the Government Securities  
Market

The Cabinet of Ministers hereby RESOLVES:

1. To introduce the institute of primary dealers in the government securities market.
2. To approve the attached Regulation on the Institute of Primary Dealers
3. The Ministry of Finance shall develop and approve the procedure for selection and functioning of primary dealers;

Prime Minister of Ukraine YU. TYMOSHENKO

Regulation  
On the Institute of Primary Dealers

1. This Regulation shall establish conceptual fundamentals for functioning of the institute of primary dealers.
2. Primary dealers shall be the banks recognized by the Ministry of Finance which undertake an obligation to cooperate with the Ministry in part of development of the domestic government securities market in exchange for exclusive right to participate in placement of the domestic government bonds (hereinafter – the bonds) and obtaining a preemptive right to participate in other transactions effected with such bonds by the Ministry of Finance.
3. Primary dealers may be the banks which have:
  - 1) a license to carry out professional activities in the stock market – activities in securities trading;
  - 2) paid-in statutory capital equivalent to not less than Euro 10 million;
  - 3) practical experience of work in the bonds market– total volume of the bonds trading no less than UAH 1 billion.
4. Total number of primary dealers shall not exceed 16.
5. Minfin shall enter into agreements with primary dealers specifying the following obligations of primary dealers.
  - 1) to participate in bonds placements;
  - 2) to ensure:
    - purchase during bonds placement of not less than 3% of the total volume of their placement during every six month period;
    - conclusion of bonds purchase and sale agreements in the secondary market in the volume not less than 3% of the total volume of such agreements during every six month period;
    - constant (every business day) proposal to other primary dealers to purchase and sell bonds;
  - 3) to provide consultative support to the Ministry of Finance regarding needs in placements of the bonds and volumes of their placement, maturities, placement schedules based on their own market assessment.
6. The agreements concluded with the first six primary dealers regarding an exclusive right to participate in bonds placement shall become effective upon conclusion of agreements with the sixth first primary dealer and the Ministry of Finance.