

Company Profile

Organization Name: National Depository Center of Azerbaijan Republic

Country/ Region: Azerbaijan

Name of CEO: Araz Aliyev

Capital: 2.7 mln AZN

Number of Officers and Employees: 52

Ownership and Governance (Main Shareholders)

100% state ownership

Brief History

The concept of National Depository System (NDC) was introduced in the “State Program of privatization of the state ownership in Azerbaijan Republic 1995-1998”. In accordance with the State Program, the Depository System was formed for regulated holding of de-/materialized securities, leading of shareholders registers, registration of owners of securities as well as transactions with them and for rendering all other depository services. In order to advance the Depository System and its regulatory framework, the presidential degrees “On the National Depository System” and “On the Rules on leading of the shareholder's registry of the joint-stock companies created during the privatization of the state firms and specialized check investment funds” were adopted in 1997. The provisions of regulation “On the National Depository System” stipulated the establishment of NDC. Thus, NDC has started its activity since September 18, 1997. In its early years, NDC provided depository and registry services only to issuers and shareholders of privatized joint-stock companies. The first agreement between NDC and newly established joint-stock companies on provision of depository services was concluded in 1998. NDC began to register stock exchange deals after the establishment of Baku Stock Exchange in 2000. In 2001, NDC started to provide depository services to the bond market for the first time.

The introduction of the Law of the Republic of Azerbaijan “On Securities Market”, which entered into force by the Decree of the President dated July 14, 2015, led to several changes in the structure of the securities market and the depository system. According to it, NDC became a central depository of the country and was reorganized as a non-profit legal entity. At the same time, NDC started to perform clearing activity without getting the appropriate license in accordance with the above-mentioned law.

The centralized clearing system, was supposed to work on a single software basis, including the stock market's trading system. In this respect, in 2016, the e-platform for Centralized Exchange Trading in Azerbaijan (CETA - an electronic control system on trade and clearing-settlement

processes of securities) was launched.

In August 2019, the Settlement Agent Model was launched, which enabled the commercial banks to make cash settlements on the securities market.

Types and number of Participants

Investment companies and depositories of investment funds

Regulatory Environment Civil code of the Republic of Azerbaijan, Law of the Republic of Azerbaijan “On Securities Market”, internal regulations

Stock Exchanges Baku Stock Exchange

Other CSDs or clearing organization in your country No

Services Provided

- Depository services
- Registrar services
- Clearing services
- Trustee service
- National Numbering Agency
- Paying Agent services

Eligible Securities Shares, bonds, Central Bank notes

Corporate Action services Provided? Yes/No Yes
(If yes, what kinds of services provided?)

- Organizing of general meetings
- Paying Agent services

Value of Securities in Custody (US\$): 24.825.650.073 \$

Amount of Cash Settled per annum (US\$): N/A

Percentage of Securities Immobilized/ Dematerialized: 100

Market Capitalization/ Trading volume per annum (US\$): 2.169.399.618,1 \$

Total Revenue/ Expense and Net income Per annum (US\$): N/A

Memorandum of Understanding/ Business Agreement (Date) – Korea Securities Depository; Russia National Settlement Depository; Central Securities Depository of Romania; Central Securities Depository of Poland; Central Securities Depository of Greece; Central Securities

Depository of Turkey; Takasbank; National Depository of Ukraine; Central Securities Depository of the Republic of Belarus; Georgian Central Securities Depository; Central Securities Depository of Kazakhstan; Central Securities Depository of the Kyrgyz Republic; Central Securities Depository of Uzbekistan; SWIFT.

Cross-Broader Transaction (Counterpart)

No

Withholding Tax Treatment of Cross-Border Trading Transactions (Details)

No

DVP Implementation (Yes/No) Yes

Settlement Period

T+0, T+1

Contact Information

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Remarks

N/A