


Regional Perspectives Panel: South America

Colombia, Ecuador, Peru,
Venezuela and Bolivia

ACSDA 2010 General Assembly
March 10 - 11, 2010 in Tampa Bay, USA



Who Does What	COLOMBIA	ECUADOR	PERU	VENEZUELA	BOLIVIA
Trade Recording	EXCHANGE (Equity) - ELECTRONIC COLOMBIA MARKET -MEC MANAGED BY THE EXCHANGE BVC (Debt)	GUAYAQUIL & QUITO EXCHANGES	LIMA STOCK EXCHANGE (Equity & Private Debt) / DATATEC (Public Debt)	CARACAS EXCHANGE (Equity) / SITRAD 2000 CVV (Private Debt) / CENTRAL BANK BCV (Public Debt)	BOLIVIAN STOCK EXCHANGE (Equity & Debt)
CCP	NO	NO	NO	NO	NO
Allocation to Client Accts	DECEVAL	DECEVALE	CAVALI	CVV / BCV	EDV
Securities Clearing	GROSS (Equity & Debt) / DECEVAL	GROSS (Equity & Debt) / DECEVALE	GROSS / CAVALI	GROSS (Equity) / CVV – FREE OF PAYMENT (Debt)	GROSS / EDV
Cash Clearing	NET (Equity) / COLOMBIA STOCK EXCHANGE – GROSS (Debt) / DECEVAL	NET (Fixed income & Equities) Nationally DECEVALE	NET (Equity) - GROSS (Debt) / CAVALI	NET (Equity) / CARACAS STOCK EXCHANGE – FREE OF PAYMENT (Debt)	NET / EDV
Securities Settlement	GROSS (Equity & Debt) / DECEVAL	Fixed & Variable rate (GROSS) DECEVALE	GROSS / CAVALI	GROSS (Equity) / CVV - FREE OF PAYMENT (Debt)	GROSS / EDV
Cash Settlement	NET (Equity) / COLOMBIA STOCK EXCHANGE – GROSS (Debt) / DECEVAL	Net Fixed & Variable rate Nacional level Nivel Nacional DECEVALE	NET (Equity) - GROSS (Debt) / CAVALI	NET (Equity) / CARACAS STOCK EXCHANGE – FREE OF PAYMENT (Debt)	NET / EDV
Cust Asset & Issuer Svcs	DECEVAL	DECEVALE	CAVALI	CVV	EDV

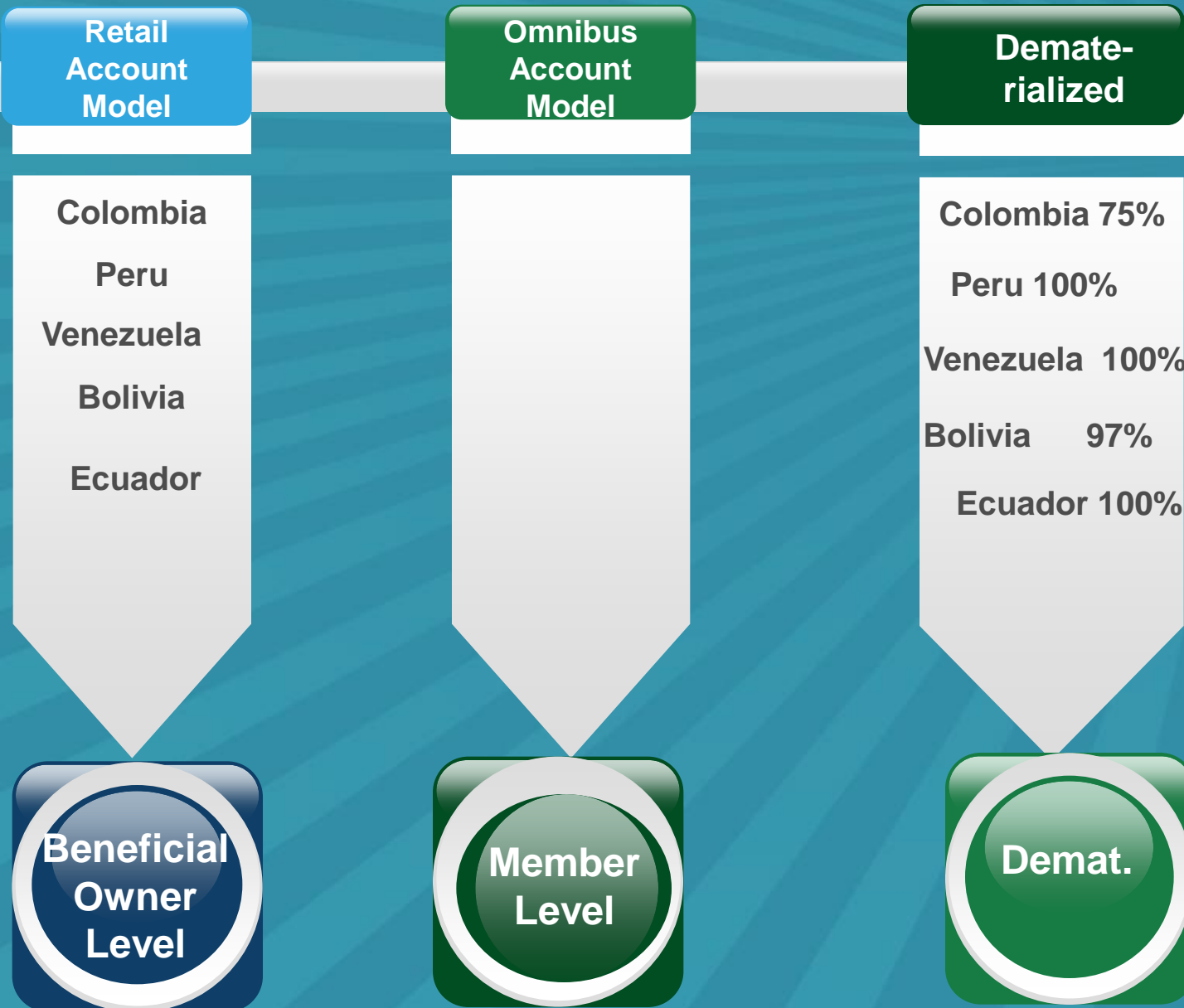
Ownership & Governance Models

	COLOMBIA	ECUADOR	PERU	VENEZUELA	BOLIVIA
CSD	DECEVAL	DECEVALE	CAVALI	CVV	EDV
For Profit	YES	YES	YES	YES	YES
Publicly Traded	NO	YES	YES	NO	NO
Share holders	Banks 66.09% Stock Ex. 22.90% Trusts 6.64% Finan.Corp 3.67% Others 0.70%	BVG 51% BVQ 32% Broker dealers	Stock Exch 33.24% Brokers 31.87% Banks 13.57% Others 21.32%	Banks 55.10% Stck Excs 25.20% Issuers 17.17% Brokers 1.80% Insur. Co 0.13%	Stock Exch 41,95% Develp Bnk 30,82% CAVALI 27,23%
Board Seats	7 Principals 7 Substitutes	7 Principals 7 Substitutes	9 Principals	7 Principals 7 Substitutes	7 Principals 7 Substitutes

Securities Servicing

COUNTRY	CSD	Equities	Corporate Bonds	Money Market	Government Securities
Colombia	DECEVAL	YES	YES	YES	YES
Ecuador	DECEVALE	YES	YES	YES	YES
Peru	CAVALI	YES	YES	YES	YES
Venezuela	CVV	YES	YES	YES	YES
Bolivia	EDV	YES	YES	YES	YES

Depository Account Structure and Dematerialization



Securities on Deposit (Equity & Debt) 2009

COUNTRY	CSD	No. Issues	Value (USD)
COLOMBIA	DECEVAL	676	99.8 billion
ECUADOR	DECEVALE	174	2.7 billion
PERU	CAVALI	1,219	59.7 billion
VENEZUELA	CVV	356 (*)	6.4 billion
BOLIVIA	EDV	1,182 (**)	6.9 billion

(*) Number of ISINs registered.

(**) Excluding Term Deposits.

Equity Transaction Volumes 2009

COUNTRY	MARKETS	Equity Trades	Value of Equity Trades (USD)
COLOMBIA	COLOMBIA STOCK EXCHANGE	1.3 million	19 billion
ECUADOR	GUAYAQUIL & QUITO STOCK EXCHANGES	4,072	1.8 billion
PERU	LIMA STOCK EXCHANGE / OTC	323,543	10.62 billion
VENEZUELA	CARACAS STOCK EXCHANGE	14,696	6.11 billion
BOLIVIA	BOLIVIAN STOCK EXCHANGE	31	26 million

Debt Transaction Volumes 2009

COUNTRY	MARKETS	Debt Trades	Value of Debt Trades (USD)
COLOMBIA	COLOMBIA STOCK EXCHANGE / OTC	1.19 million	376.60 billion
ECUADOR	GUAYAQUIL & QUITO STOCK EXCHANGES	9,232	5.24 billion
PERU	LIMA STOCK EXCHANGE / OTC	3,694	7.06 billion
VENEZUELA	CARACAS STOCK EXCHANGE / SITRAD / BCV	157,187	49.21 billion
BOLIVIA	BOLIVIAN STOCK EXCHANGE / OTC	16,886	2.97 billion

Asset Servicing 2009

COUNTRY	CSD	Volume Processed	Value (USD)
COLOMBIA	DECEVAL	15,061	37.5 billion
PERU	CAVALI	2,853	2.95 billion
VENEZUELA	CVV	900	79 million
BOLIVIA	EDV	834	2.19 billion

2009 Highlights and Challenges

DECEVAL, Colombia

- **Innovation:** Created and developed a “Dematerialized Notes “ management system. Launched on October 2009.
- **Strategic Plan:** Strengthened DECEVAL’s services, technology infrastructure and business continuity. Replicated our business model for the credit industry. Strategic investments totaled more than USD 4.5 million.
- **Securities Lending:** Developed jointly with the Colombia Stock Exchange, the framework for the temporary transfer of securities or securities lending which was in the comprehensive testing stage by the end of 2009. It is expected to begin by the end of the first quarter of 2010. The model will operate initially for listed stocks.
- **Shareholders Registration Services Department:** We managed 33 issuers, 712 thousand accounts and 25% of the market capitalization of Colombia.
- **National Numbering Agency:** Developed the ISIN and CFI codes assignation system for the Colombian market, its implementation includes the change in industry processes. The system will be launched on 23 March 2010.
- **Business Continuity Plan:** Strengthened with a new technology infrastructure.
- **Hedge Funds:** Developed a service for shareholders registration in dematerialized form.
- **Market Integration:** Joint development among Exchanges and CSDs of Chile, Colombia and Peru to integrate their markets.
- **Quality System:** Maintenance of the ISO 9000 – 2000 certification
- **Risk Management System:** Strengthened the process.
- **ISO 17799-27001-COBIT-ITIL:** Developed an implementation program in order to adopt these standards in the next 2 years.

2010 Challenges and Plans

DECEVAL, Colombia

- **Notes Dematerialization:** The strategic sale of this product will achieve the cultural change in Colombia of the dematerialization of the note, the main representative instrument of credit obligations.
- **Factoring Dematerialization:** Promote invoice dematerialization issued by manufacturing and commercial companies leveraging the Colombian legislation on electronic ownership. A system for recording secondary trading of these will be launched.
- **Updating the Technology Infrastructure:** Continue to update our technology to meet the needs of our growing market. Maintain an ongoing effort in the adoption of COBIT and ITIL standards in our technology operations.
- **Settlement Cycle Enhancements:** We will introduce new services such as securities lending, enhancements on DVP optimization, especially the automatic debit in the accounts of the Settling Bank of the Central Bank for payments corresponding to securities transactions. This is expected to substantially reduce liquidity risk and the asset commitment period.
- **Risk Management System Enhancement:** Continuing the methodology to improve safety, efficiency and operational risks mitigation.

2009 – 2010 Highlights and Challenges

DECEVALE, Ecuador

- **National Numbering Agency** : The National Securities Council appointed DECEVALE as the National Numbering Agency. Also , DECEVALE became a member of ANNA. Thus, developed the system for issuing ISIN and CFI codes for securities issued in Ecuador. March 2010 will be the start date for issuing ISIN codes.
- **Technological Innovation**: A new settlement system for exchange and OTC transactions was developed and put into production this year .This system settles on a net basis nationally regardless of the market where the transaction was originated, consolidating a net position per participant.
- **Dematerialization of tax credit notes**:. The IRS Internal Revenue Service in Ecuador, began to issue dematerialized notes on tax credits. Given the current economic conditions this is a very relevant event.
- **ISO 9001**: The process of certification of ISO 9001:2008 is well underway . By May of this year we plan to have certification of all operational processes for the various services we provide for the Ecuadorian securities market.
- **ACSDA event in Ecuador**: One of our greatest desires is to host one of the annual ACSDA events. With so many changes mandated in our market it has been difficult for us to be active in ACSDA, however for us it would be an important opportunity to be the host of our regional partners in ACSDA for future events.

2009 Highlights and Challenges

CAVALI, Peru

- **CAVALI launched WARI, the new system for the core business**
 - Web based system
 - Simplifies the integration of new services to the system
 - Simplifies clients to integrate their services with our system
- **First Peruvian ETF for foreign markets**
 - CAVALI was in charge of developing a process for changes in the beneficial ownership to support the creation of EPU, the first Peruvian ETF that is listed on the NYSE and Mexico Stock Exchange
 - EPU captures some of the most important companies in Peruvian economy: mining, banking, etc.
- **Banks inclusion in Settlement process**
 - CAVALI changed its Internal Regulations in order to include banks in the process of settlement of cash and securities for the operations in the Lima Stock Exchange
 - These changes will allow Banks to be in charge of the custody, delivery and payment when ordered by investors
- **Good Corporate Governance**
 - CAVALI has made changes in its Bylaws and Internal Regulation in order to apply the recommendations made by an external consulting firm
 - Some major changes will have their impact during 2010, including the election of an independent director for the Board

2010 Challenges and Plans

CAVALI, Peru

- **Integration of Regional Equities Market**
 - Peru, Chile and Colombia has begun a project to integrate their equities market.
 - The project will be developed in two phases. The first phase will be completed in 4Q.
- **Registry of Trade Acceptances**
 - Registration of short term Trade Acceptances issued by small and medium size companies.
 - It will favor the track record of this companies towards future credits and their business soundness.
- **Use and sale of statistics information.**
 - The service arranges methodically the public information generated by our daily activities and adapts them to the clients' needs.
- **Foreign CSD as participants**
 - As a part of the Integration Project, we are working on the process of admission of Chilean and Colombian CSDs as participants
- **Shareholder Register for issuers**
 - CAVALI will provide to issuers who want to outsource the registration of the owners of a company's shares, updated on an ongoing basis.
- **Local Custody**
 - CAVALI will open an account on its registry to act as custodian for local issuers who want to outsource this function

2009 Highlights and Challenges

CVV, Venezuela

- Expanded global custody services, improving information delivery and corporate action services.
- Completed the design and launched in production shareholders' registration service for issuers who make public stock offerings.
- Improved security aspects of our information systems to provide consultation services 24 hours a day.
- Designed and completed the service of sending electronic statements by e-mail to sub-account holders.
- Implemented an education and training campaign on services provided by the Caja Venezolana de Valores and their importance on the security, transparency and reliability of transactions.

2010 Challenges and Plans CVV, Venezuela

- Promote the use of CVV for all market intermediaries
- Implement a cash settlement system through CVV
- Continue the project to achieve the ISO 9000 quality standard for our core processes.

2009 Highlights and Challenges

EDV, Bolivia

- **Settlements:** Settlement of transactions denominated in Euros, with the securities movements on a gross basis and free of payment in terms of the cash.
- **National Numbering Agency:** Since June 2009 the EDV can assign ISIN to securities upon request.
- **Technology:** Consolidation of Level 3 (defined) in the CMM (capability maturity model) of COBIT.
- **Dematerialized Issues:** There were no physical issues on the market, all were dematerialized via EDV.
- **Strategic Plan:** Approved, with a range of three years, and with a Strategic Plan for Security Technology aligned.
- **Roles and Security Reengineering of :** As part of developing the new software which is currently implemented up to 80%.

2010 Challenges and Plans

EDV, Bolivia

- **Settlement:** Intermediaries may cover their net debit positions through more than one settlement bank.
- **Mechanisms to ensure settlement:** automatic securities lending and the use of credit lines to Participants will be in place.
- **Electronic Forms:** Eliminate the use of physical forms in the most commonly used procedures by sending electronic forms through the system.
- **Certification:** To obtain the certification of critical procedures of the entity.
- **Dematerialization:** for company stock options, implementing the service shareholders' registry.
- **Paying Agent:** Centralize the service for payments to issuers.
- **Statements on the Internet:** Through VPN to the level of the final beneficiary.