

Media Release

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Colombo:

China Securities Depository and Clearing Corporation and CDS Sri Lanka to pursue mutual development



CDS and CSDC representatives at the MoU signing ceremony

Sri Lanka's Central Depository Systems (Pvt) Ltd (CDS) and China Securities Depository and Clearing Corporation Limited (CSDC) recently committed towards pursuing a cooperative relationship in the areas of securities clearing and depository. This commitment was formalized with the signing of a MoU between the two depositories during a visit by CSDC officials to Sri Lanka recently.

CSDC is a non-profit-oriented corporation with Shanghai Stock Exchange and Shenzhen Stock Exchange as its shareholders, each holding 50% equities.

As CDS and CSDC work together in future, the MoU will pave the way for the depositories to exchange information and expertise on business operating models and other securities market developments.

CSDC Deputy Chairman of the Board Dr. DAI Wenhua said "It is my great pleasure to sign this MoU in the beautiful city of Colombo, which bears vivid witness to the friendly relations that the Chinese and Sri Lankan people have long enjoyed. We appreciate the indispensable role that CDS plays in the Sri Lankan capital market as well as its constructive contribution to the industry in the Asia-Pacific region and look forward to closer ties between our two organizations. "

Commenting on the development, CSE and CDS Chairman Mr. Ray Abeywardena said "With this MoU, we are pleased to establish a formal channel of collaboration with CSDC, which is a

depository that plays a crucial role in the Chinese capital market and the rest of the Asian region. We anticipate that the MoU will open new possibilities of collaboration between the two depositories. We are particularly keen to work with CSDC on further developing our clearing and settlement function, particularly in the areas of strengthening registration and settlement infrastructure, capacity building and improving the services offered to stakeholders of the Sri Lankan capital market. Cooperation with peer depositories and international markets is essential to raising the bar in the Sri Lankan capital market and we are pleased to collaborate with CSDC in this regard.”

CSDC is the Central Securities Depository (CSD), Securities Settlement System (SSS) and Central Counterparty (CCP) of the Chinese exchange market. It provides registration, depository, clearing and settlement services to equities, bonds, exchange-traded funds (ETF) and other derivatives listed and traded on Shanghai Stock Exchange (SSE), Shenzhen Stock Exchange (SZSE) and National Equities Exchange and Quotations (NEEQ), and plays a key role in cross-border linkage programmes including Shanghai-Hong Kong Stock Connect, Shenzhen-Hong Kong Stock Connect and the Mutual Recognition of Funds between the Chinese mainland and Hong Kong markets.

About CSE

The Colombo Stock Exchange (CSE) operates the only stock market in Sri Lanka and is responsible for providing a transparent and regulated environment where companies and investors can come together. The CSE is a company that is limited by guarantee established under the Laws of Sri Lanka. The CSE is licensed by the Securities and Exchange Commission of Sri Lanka (SEC) and is a mutual exchange consisting of 15 Members and 14 Trading Members. All Members and Trading Members are licensed by the SEC to operate as Stockbrokers. For more information, please visit: www.cse.lk.

For more information:

Niroshan Wijesundere
Head of Market Development
Colombo Stock Exchange
Level 4, West Block,
World Trade Center, Echelon Square,
Colombo 01.
Sri Lanka.

Direct + 94 112356510
Mobile + 94 777 819999
Fax + 94 112445279