

Role, Function and Services of the BCSDI

The BCSDI is a facility for holding securities, and enables share transactions to be processed by book entry.

A Book Entry System facilitates the change of ownership of Securities electronically, without the need for the movement of physical documents, i.e., the BCSDI is an electronic means of recording the ownership of shares.

The BCSDI registers the securities in the name of the beneficial owner. The certificates are physically held in our vault. The BCSDI also records the securities movements in the name of the beneficial owner using the National Identification Number (NIN) and/or an Account Reference Number (ARN) generated by our share register maintenance system Depend, by Percival Software Limited (PSL). The BCSDI's book entry system has shortened the settlement cycle and ensures that investors receive payment for shares sold and ownership of shares purchased within a shorter time.

The BCSDI provides a variety of services which can be divided into two broad categories.

- 1 **Depository Services**
- 2 **Registrar Services**

The Barbados Central Securities Depository Inc. (BCSDI) is a limited liability company which was incorporated on October 20, 1998.

The Barbados Central Securities Depository Inc. (BCSDI) is a limited liability company which was incorporated on October 20, 1998. The BCSDI facilitates the immobilization of securities, the clearance of trades and the settlement of funds through the Central Bank of Barbados (CBB) and offers services as Registrar of public and listed companies as well as mutual funds.

The BCSDI is a partner of the Association of National Numbering Agencies (ANNA) and is responsible for assigning all International Securities Identification Numbers or ISINs to all locally registered securities.

Depository Services

The BCSDI currently offers the following Depository services:

Clearing and Settlement of Traded Securities

The BCSDI, through the use of the CBB's Real Time Gross Settlement system (RTGS), settles trades occurring on the Board of the Stock Exchange within the globally accepted settlement cycle of T+3 days or three (3) days after the trade has occurred. It must be noted however, that shorter settlement options are available.

Statement Printing

At the request of a shareholder, the BCSDI can provide a Statement of Account for all securities held in the shareholder's name at a date specified by the shareholder.

Pledging of Securities

A pledge is a type of "lien" whereby the shareholder or 'pledgor' grants legal claim to their securities, making them collateral against monies owed to a financial institution or 'pledgee'. The BCSDI 'freezes' the shares owned to restrict them from being traded until an official confirmation that the shares can be released has been received from the pledgee.

Inter-CSD Transfers

The BCSDI makes provision for the transfer of securities from an account held by the BCSDI to an account held by a Depository in another jurisdiction, once the relevant documentation is provided by the shareholder or by an agent acting on their behalf.

Trading and Registrar Services for Debt Instruments

A service initially extended to the Government of Barbados (GOB) and those persons wishing to trade both GOB and GOB-backed fixed income securities prior to maturity. This service is also available to issuers of corporate paper who are desirous of utilizing our robust systems and streamlined processes.

Certificate Deposits

Immobilization & Dematerialization – There are a number of Issuers who still maintain certificated securities. i.e., they issue a share certificate as proof of ownership of shares in their Company. For these securities to trade on the Board of the BSE, the certificates are first deposited by a broker to the BCSDI. The BCSDI cancels the certificate and creates a book-entry record in its system and maintains an electronic record of the cancelled certificate which is then deemed immobilized. Once immobilized, the security is free to be traded, and the purchaser of the securities will then be issued with a BCSDI Statement as proof of ownership.

Safekeeping and Custodial Services

The BCSDI makes provision for the secure and convenient storage of all your important documents, including, but not necessarily limited to physical share certificates. Safekeeping services are extended not only to shareholders but to the public as well. As custodian, the BCSDI assumes legal responsibility for those items held in safekeeping. After a safekeeping and custodial services agreement is signed by both parties, the BCSDI, acting as the custodian, will issue the individual with a safekeeping receipt as proof of asset(s) being held. It must be noted that the asset(s) does not become the property of the BCSDI and may be returned at any time to the individual upon request.

Registrar Services

Share Register Management and Maintenance is essentially the core service/function of the BCSDI.

Issuers of listed securities have the option of maintaining their Share Registers themselves, using a Third-Party or employing the services of the BCSDI. The Registrar services provided by the BCSDI include, but are not limited to:

Name, Address and Warrant Address Changes

The BCSDI amends the account information for shareholders who make such requests if the requisite documentation is provided.

Estate Transfers

The BCSDI facilitates the transfer of assets from a deceased shareholder's estate to the beneficiary or beneficiaries in accordance with the Law or the wishes of the testator. Letters of Administration or Letters Testamentary and a share transfer document are required to achieve these transfers.

Consolidation of Depository Client Accounts

In instances where a single shareholder has more than one account containing securities, the BCSDI will consolidate the securities into one account, thus reducing the number of Account Statements issued to the shareholder. Individuals can then trade securities from this single account using one or more brokers.

Payment and Distribution of Dividends & Interest

The BCSDI, as Registrar, prepares a "dividend calculate" and forwards it to the Issuer for approval. Once approved, the BCSDI prints, signs and posts the dividend cheques to the Issuer's shareholders. The BCSDI also provides similar facilities for debt instruments, making interest payments to bondholders as outlined in the bond's prospectus or term sheet. In both instances, where electronic banking details are provided, the payment of both dividends and interest can be facilitated via electronic funds transfer (EFT).

Dividend Account Reconciliations

The BCSDI, as Registrar, can reconcile the bank accounts from which dividend proceeds are paid and provide the Issuer with a detailed report on a monthly basis.

Distribution of Annual Reports

The BCSDI makes provisions for Issuers to forward their annual reports to our offices from their printers for distribution to their shareholders. The BCSDI will label and stuff all envelopes and coordinate with the Barbados Postal Service to ensure that the reports are received by shareholders in a timely manner. This service can be extended to any material the Issuer (or other interested party) wishes to distribute to their shareholders.

Provide Register Extracts

The BCSDI is required by Law (Securities Act & Companies Act) to provide Issuers of securities, upon request, with a list of shareholders at a specified date. The BCSDI can also provide Issuers with other special reports based on their Share Registers upon request.

Receiving New Registers

The BCSDI is fully capable of handling the Share Registers not only of publicly listed companies but also those of private companies.



BARBADOS STOCK EXCHANGE INC.
'building a better market'

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The BSE Group

BARBADOS CENTRAL SECURITIES DEPOSITORY INC. (BCSDI)



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