

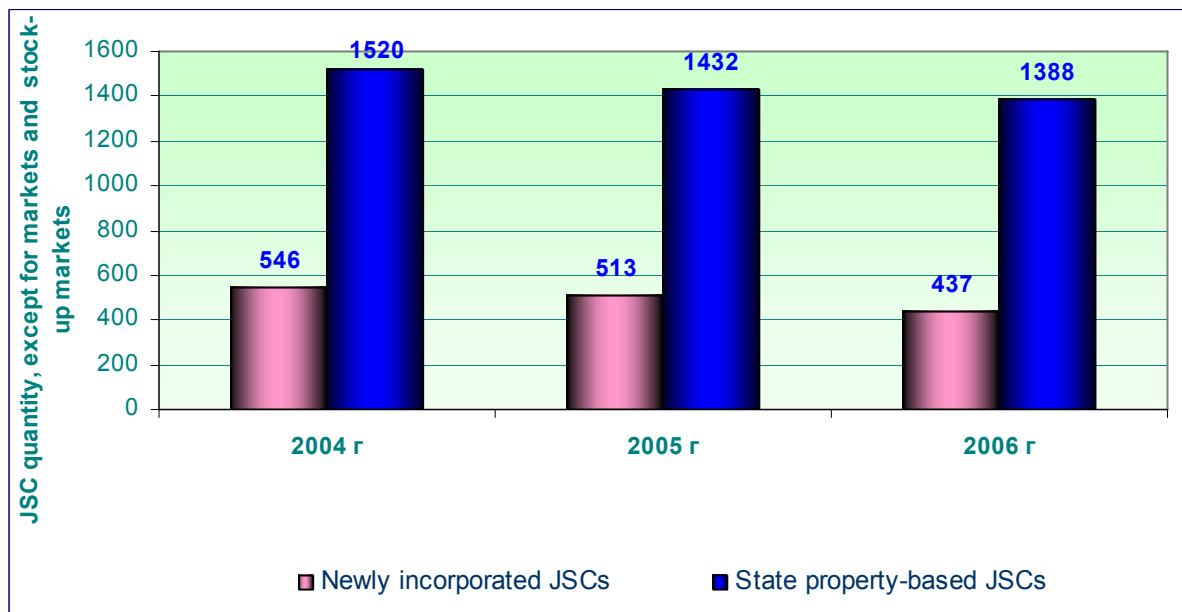
## INFORMATION on the results of the work done by the State Central Securities Depository in 2006

The State Central Securities Depository in accordance with the main directions of its activity set forth by the Law of the Republic Uzbekistan «On the activity of depositories in the equities market» and the Decree of the Cabinet of Ministers «On the structure and activity of the Central Securities Depository» has performed certain work in the course of 2006.

### Service of securities' issues

As of January 2, 2007 2017 joint-stock companies held listed securities, the total volume of securities issues has reached 2,093.2 million and its total value exceeded to UZS 2 996,4 billion (on the face value). Despite of the diminishing number of joint-stock companies compared to the same period of the last year by 95 entities (44 societies created on the basis of privatized enterprises, 27 was created on voluntary basis, 18 affiliated to "Matlubot-savdo", two commercial banks and four investment funds) the volume of issued shares has kept on to increase up to 195,9 million and its money equivalent amounted to UZS 205,9 billion.

### THE COMPARATIVE DIAGRAM of changes in the amount of the listed joint-stock companies for the period from December 2004 to September 2006



Along with the account of securities in the form of shares of joint-stock companies bonds issued by 38 issuers in UZS 32,2 billion total also included.

### Deposit and account of securities The state assets

Of the total amount of the listed joint-stock companies at the Central Depository 984 joint-stock companies hold state assets. Their total volume exceeds UZS 2,358.5 billion. The structure of the state assets is featured by the following indicators:

- assets owned by the State in line with the appropriate decrees of the Cabinet of Ministers are kept by 261 companies in the amount of UZS 1,058.6 billion;
- assets to be sold at the stock market are owned by 418 companies in the amount of UZS 744.9 billion;
- out of them assets to be sold with the decision of the State Tender Commission are owned by 196 companies in the amount of UZS 637.3 billion;
- assets transferred and intended to be transferred in the manner set forth by the governmental decisions to set up founding capitals of the appropriate business entities are owned by 576 companies in the amount of UZS 570.7 billion;
- out of them, assets intended for transmission are owned by 41 companies in the amount of UZS 37.3 billion;
- Assets blocked by the decisions of the competent state authorities are owned by 15 companies in the amount of UZS 519.5 million.

### **Depositors' service**

Throughout 2006 the Center for Coordination and Control over Functioning of Securities Market (hereinafter referred to as the "Center") has received 561 lots of documents to register new issues, make changes in date concerning the previously registered issues, remove some securities' issues from the list, 474 lots had been proceeded and 87 of them were returned for disparity reasons of indicators therein.

Securities of 35 business entities issued for the first time were put on the list and 11 of which constitute state property organizations. The largest issuers set up on the basis of the state property are: «TOSHAVTOBUSTRANS» with a registered capital more than UZS 118 billion; «Samarkand airlines» Joint-stock company with a registered capital over UZS 1 billion; «Toshkent Gidromexanizatsiya qurilish boshqarmasi» - around UZS 400 million; «ULGURJIKIYIMSAVDO» Joint-stock company - about UZS 350 million; «BEKOBOD ULGURJI SAVDO» joint-stock company – UZS 350 million.

Particular changes were made in the parameters of issuing securities held by 321 joint-stock companies, certain work was done to change the registration codes of the issues of shares held by 47 joint-stock companies, 27 issues of corporate bonds were paid back. During the year the issues of securities of 128 issuers were taken off the list (resulted from the change of the form of the business entity ownership, confluence, bankruptcy, self-liquidation).

Certain measures were taken to implement the following respective decrees of the President of the Republic of Uzbekistan in the part of the activity of the Central Depository:

- The decree № PP-262 dated of 18.01.06 «On organization of the activity of the Association of "TOSHSZHARTRASHIZMAT» - based on the commissioned order the depot of the state assets previously assigned to «TOSHSZHARYO'LOVCHITRANS» joint stock company, was transferred to the depot account of the State Property Committee and state assets of the nine bus parks were transferred on July 20, 2006 to the depot account of «TOSHAVTOBUSTRANS» joint stock company to set up its registered capital; on September 7, 2006 issue of shares of the newly incorporated company were put on the list of the Central Depository;

- The decree № PP-407 dated of July, 10 2006 «On deepening the liberalization and privatization process for 2006-2008» commissioned to conduct verification of the state assets status in the charters funds of the particular joint-stock companies specified in the decree, and comparison of the amount of the state assets therein.

- The work was organized on the analysis of current status of the state assets in the joint-stock companies, which are members of «Uzbekenergo» state joint-stock company in accordance with the Decree of the Cabinet of Ministers №93 dated of February 24, 2001. Through the presented errands of depot on transfer of securities, the state assets of 19 companies were transferred to the «Uzbekenergo» company's depot account with the aim to establish the company's authorized capital.

For the period from January to September 2006 the Central State Depository received about 300 commissions to block /unblock the flow of the companies securities, in the 3<sup>rd</sup> quarter of 2006, in line with the demand from the Center, there have been carried out the processes of collection and systematization of the data on the completion or partial blockage of the flow of the securities held by the joint-stock companies.

In the accounting period the Central Depository has concluded following treaties:

- 1297 agreements on providing depository services to the issuers;
- 79 agreements on providing depository services to depositors, including agreements with the hokimiyats (local authorities) in 19 districts.
- 37 agreements on providing of information services to the listed companies;
- 40 agreements on providing depository services to the asset managers of the state shares holding;
- 7 agreements on providing information services to the clients of the Central Depository, including updating the electronic database with essential elements of issuers/depositors, and to authorized persons entitled to deal with depot accounts of issuer/depositor on the basis of the documents to be proceeded by them: on inventory of the state shares transferred by the State Property Committee to the asset management; on collection, systematization and analysis of data on unplaced securities, issued by the joint-stock companies and taken account in the issuers 's depot accounts in the Central Depository and Depositories of the second level.

### **The service of Privatization-investment funds (PIF)**

To perform one of the basic directions of the activity to provide with service to the investment funds, to keep account of securities issued and owned by investment funds, to keep on the registers of holders of securities, and also to control purposeful use of funds by the investment funds, Up to January 1, 2007, the Center had provided services to 3 PIFs and 2 investment funds which have 46800 shareholders in total, including 19 legal entities holding 117.2 thousands shares and 46.8 thousand natural persons holding more than 3 million shares of investment funds. Their aggregate authorized capital was equal to UZS 426. 7 million.

There have been analytical publications periodically published in the media devoted to the financial activity of all investment funds operating in the Republic of Uzbekistan as well as data materials about the activity of similar collective investment funds abroad.

For the current year the investment funds have performed the following global actions:

- In the first quarter the issue of additional shares by the PIF «Dustlik» with the total value equal to UZS 18,133.4 thousand sum was registered ;
- In the second quarter the redemption of the state credit taken by PIF «Olim-F» was completed;
- In the fourth quarter the PIF «Semurg» was restructured into a multi-purpose investment fund.

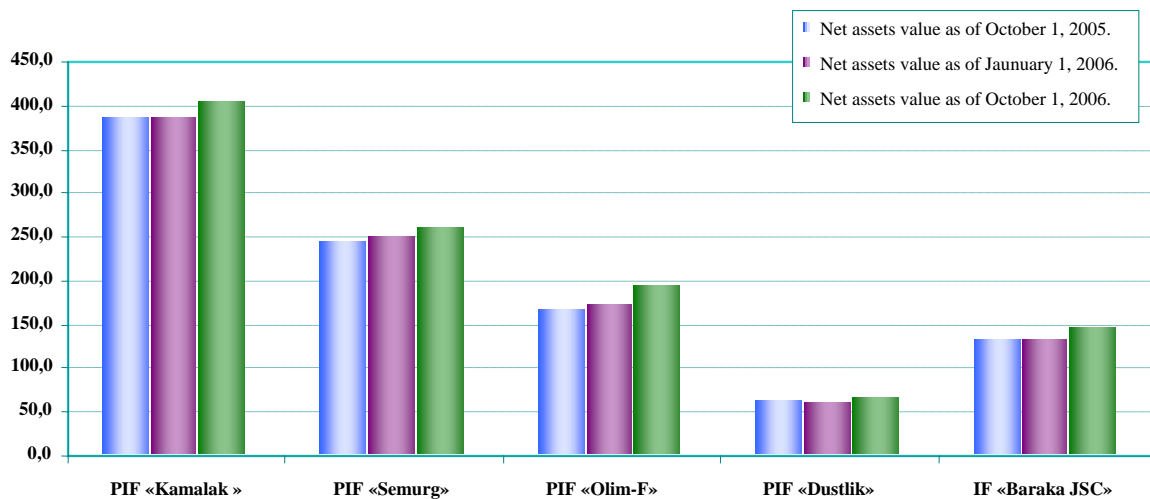
Carrying out of constant monitoring of transactions with issue and portfolio shares of investment funds, with a view of not assumptions of infringements of positions of the legislation practices.

For the past year there the serviceable funds have executed 25 transactions on the sale of portfolio shares equal to UZS 137.9 million and 12 transactions on the purchase of shares to form a portfolio equal to UZS 76,7 million.

The study of performance of the investment funds demonstrate that as a result of their activity they have attained an insignificant growth of the total net asset value with a decline in profits when compared with the similar period of the last year.

If up to October 1, 2005 the aggregate net asset value of funds was equal to UZS 979.9 million, then by the expiry of nine months of 2006 this indicator has attained UZS 1,060.0 million and grew up to UZS 80,1 million only or by 8,2 %. The PIF has attained the biggest growth of net assets value in the amount of 17,2 %.

### Comparative Diagram of the net assets value of PIFs and IFs



Because of insufficient profitability of the particular joint-stock companies, whose shares are portfolio shares of the funds, the funds' profitability went down considerably. In particular, for 9 months of the year 2006 the gross income of investment portfolio of the funds decreased a little more than by 33 % and was equal to UZS 110.0 million against UZS 147.2 million for the same period of the year 2005. Only «Baraka» fund had an increase of profitability by 11.6 %.

As a result of the decrease of the investment portfolio more than 1,3 times and totaling in UZS 109.9 million against UZS 147.2 million for the same period of the year 2005 with a simultaneous increase of spending by UZS 7.1 million, there is a tendency of decline of total revenues compared with the same period of the last year accordingly by 3,4, 33,8 and 30,6 percents in 3 out of 5 funds («Kamalak», «Semurg» and «Dustlik»).

A similar tendency was observed with the indicators of profitability of general assets of the above motioned investment funds, especially a particular falls were observed in PIFs «Dustlik» - 4,6 percent and «Semurg» - 7,6 percents.

For nine months of 2006 only the investment funds such as «Olim-F» and «Baraka» had the net income to exceed the similar indicator of the same period while in other funds such as «Kamalak», «Semurg» and «Dustlik» had a perceptible slump of profitability accordingly by 6,7 %, 39,4 % and 38,1 %. The management of these funds are doing insufficient work to provide for an effective diversification of funds portfolios; they should completely revise the structure of portfolio shares.

In the majority of foreign countries, particularly in the Russian Federation the depository service of investment funds is carried out by the specialized depositories. Presently the Central depository is a unique depository having an separated subdivision, competent employees and also software specialized on service of exceptionally investment funds.

The transfer of all investment funds functioning in the republic to the Central depository would allow to:

- Provide integrity of account and oversight of the above mentioned activity of investment funds, prevent violations of activity by the managing companies;
- Improve the quality of service (timely notification and registration of holders when changes affecting portfolio and securities issues of investment funds occur);
- Reduce costs of investment funds in performing depositories operations related to portfolio and securities issues (conducting unlimited amount of depositories operations with portfolio and securities issues is included in the sum of the fixed reward).

A withdrawal of the investment funds from the stocks market as professional participants infringes the rights for smaller shareholders and conflicts with the primary purposes of their incorporation (decreasing risks for investors, attracting loose assets of the population to the stocks market, development of the stock market). Actions of investment funds related to restructuring is taken at the behest and on behalf of certain persons to draw assets of the fund away from the control of a supervisory authority.

In all the countries of the world having similar funds of collective investment it is forbidden to conduct any kind of activity other than those provided for in law.

Meantime, funds in the Republic are given large privileges and preferences at the legislative level. In particular, investment funds purchased stocks of highly liquid enterprises at par value (at initial stage on one sixth of the par value) and in credit on preferential terms. Besides, they use tax deductions aimed at creating conditions for establishment and development of collective investment entities called to render financial services to the citizens who decide to invest money in the stock market.

Reasoning from the abovementioned and aimed at providing for a protection of interests of smaller shareholders, creation of integral accounting and improvement of the quality of service, the Central depository would consider it necessary to:

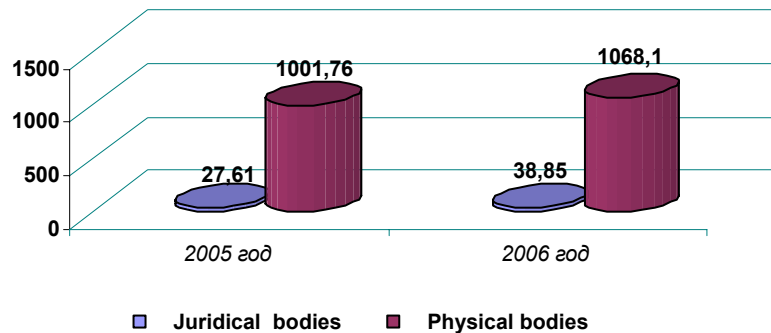
- Forbid restructuring investment funds on voluntary basis bay way of changing the type of activity as an investment fund or, in the event of voluntarily restructuring entity's type of activity as an investment fund, to oblige them to compensate privileges on taxes, duties and payments to off-budget funds as of the date of payment release;
- Hand over depository service of the investment funds to the exceptional competence of the Central depository.

### **Depositories service of the second level**

As of January 2, 2007 correspondent accounts are maintained with 37 depositories of the second level functioning in the all regions of the republic, within 3<sup>rd</sup> and 4<sup>th</sup> quarters of 2006 correspondent accounts were concluded with the depositories of the Joint venture «Ansher trust» Ltd. newly incorporated in Tashkent and the affiliate of «Osiyo sarmoya depo», the similar relationships are set with the depository of «Rosbank» of the Russian Federation, negotiations are conducted about establishment of correspondent accounts with «Vneshtorgbank» - one of the largest depositories of Russia.

The depositories of 2nd level keep account of and serve to 1106,6 million depot accounts of the holders of securities, including 38,9 thousand legal entities and 1 068,1 million natural persons that constitute accordingly 3,6 % and 96,4 % of the common amount of depositors. During the year the amount of served depot accounts, as compared with 2005 increased by 7,5 percent.

**Comparative diagram of the quantity of the depot accounts operated by depositors at the end of 2005 и 2006 (in thousand )**



The amount of depot accounts opened by depositories for nonresident holders, as compared to 2005 increased by 45 percents (3.5 thousand accounts in 2005, about 5.1 thousand at the end of 2006). The state policy aimed at to increase of attractiveness and development of the domestic fund market, to attract foreign investors to the equities market contributed in a great deal in the increase in the amount of open depot accounts in depositories.

There are securities of 1920 issuers registered in the depositories of the second level, 778 issuers get services on listing shareholders, including only in Tashkent securities of 797 issuers are taken into account and the conduct of registers is carried out for 488 issuers.

As of 29 September 2006 the volume of the securities listed and served in the depositories of the second level made 595,95 million of securities with total UZS 457.3 billion at par value. The volume of the securities served by the depositories increased, when compared to the similar period of 2005, more than by UZS 65 billion.

In accordance with the regulations of realization of inter depositories mutual relations between the Central depository and the depositories of the second level collation of securities reminder in the correspondent accounts are carried out on a daily basis. However, despite of repeated reminders depositories «ASR-deposit» Ltd., «Jizzak vakt» Ltd, «Kashkadaryabank» commercial bank, «Kashkadarya-Vakt» Ltd do not pay due attention to perform this important work, they violate regulations and normative documents on realization of depository activity.

To perform one of the basic functions as to collection and systematization of information about the flow of securities in the system of depositories, collection of necessary data provided by the depositories of 2nd level upon inquiries by the competent state authorities was carried out.

During 2006, 207 operations are carried out to write off the securities from the transit emission accounts, 137,9 thousands of securities were transferred to the service in the depository of 2nd level.

The amount of the conducted operations on the delivery of securities to the trade accounts of clients to participate in the organized stock exchange sales for the financial year made more than 15 thousands, 94,8 thousands pieces of securities were included into the trade accounts.

In accordance with the commissions of the «Elsis-clearing» Joint-stock company 16,4 thousand operation were conducted on delivery of securities from trade accounts of the holders to the depository of 2<sup>nd</sup> level through stock exchange sales and 94,4 thousands of securities were transferred, 127 operations are conducted on transferring 8,5 million pieces of securities from one depository to another.

### **The service of Trade and account -clearing systems**

In the accounting period, it was given a confirmation of presence of 32.1 million pieces of securities of 130 joint-stock companies on the UZS trade platform, including 11.6 million pieces of state assets of 82 joint-stock companies, 20.6 million pieces of the stated shares of 48 issuers. 1188 investor's 102.6 million of shares proposed for sale were blocked.

On the foreign currency-based platform 2.3 million pieces of actions of 9 joint-stock companies were proposed, among them the state assets equal to 1,159.2 thousands of shares of 5 companies; 1,180.2 thousands of stated shares of 4 issuers. The blocking was carried out for 31.9 million pieces of shares of 128 investors that proposed their shares for sale.

There were 101 thousands of the stated shares of 3 issuers presented on the MTC trade platform and 228.2 thousands of shares of 9 issuers proposed for sale were blocked.

390.6 thousands of shares of 135 investors were blocked on the newly re-opened ƏBCT trade platform.

In the results of trade securities were delivered to the participants of exchange sales on the basis of transaction deals. On the UZS platform of the primary market 206 transactions were carried out on sale and purchase of more than 21.8 million securities for UZS total 6.8 billion, including 133 transactions on sale and purchase of 2.5 million shares for UZS 4.2 billion of state assets; 73 transactions on the sale and purchase of 19.3 million of declared shares of issuers for UZS 2.6 billion.

On a foreign currency-based platform 9 transactions were carried out on the sale of USD 2.2 million, including 7 transactions on shares on the sale of state assets in the amount of 1.2 million shares for USD 5.8 (9.9) million.

On the MTC trade platform 7 transactions were carried out for the sale of 86 thousands of declared shares of issuers for UZS 861.6 million.

Operations on the sale of securities at the second market were also activated, on this UZS platform 17.8 thousands of transactions were concluded on the sale and purchase of 116.7 million securities for UZS 46.2 billion. On the foreign currency based platform 837 transactions were accomplished on the purchase and sale of 27.1 million securities for USD 84.7 million.

On the MTC trade platform 26 transactions were accomplished on the sale of 188.2 thousand, including 7 transactions of shares on the sale of 86 thousands of declared actions of issuers for UZS 861.6 million.

On the newly re-opened ƏBCT trade platform there was accomplished 191 transaction on 371.3 thousands shares of investors for UZS 230.8 million.

On direct transactions carried out by the State Property Committee on the UZS platform 12 transactions were carried out on the sale of 2.1 million shares of state assets.

### **Foreign economic activity, Technological and program complexes**

Cooperation with foreign partners was continued, in particular on their request they were given no confidential information about activity of the Central depository on

regular basis. The bulletins of foreign depositories, that were most acceptable to the conditions of the republic, were translated into Russian.

In February 2006 the delegation of the National Depository Center of the Russian Federation was received, during the meeting the Central depository of the Republic Uzbekistan and National Depository center of Russian Federation signed a memorandum on cooperation determining basic directions of bilateral collaboration. This event was widely covered in the media of the republic: in such newspapers as «Mulkdor», «Chastnaya sobstvennost» and the Russian press magazine «Depozitarium», the proper information was placed in the website of the Central depository in the Internet.

In a period from 10 to 15 April, 2006 a working meeting of depositories, members of Association of the Eurasian Central Securities Depositories (AECSD), took place with the participation of representatives of the National Depository Center of the Republic of Azerbaijan, Central depository of the Republic of Kazakhstan, Depository Clearing Company of Russian Federation, National Depository Interregional Fund Union of Ukraine. The stock market of the republic was represented by participants from "Dilares" Joint-stock company of, " ND BAKT" Ltd. and "TAT REESTR" Ltd.. In a resolution accepted in the end of the meeting it was mentioned, that this document constitutes a considerable step in the exchange of information related to the level of development of the accounting systems and funds markets of countries participants of AECSD.

Later a working meeting with the JICA representatives (Japanese agency of international cooperation) took place in which parties discussed an issue to invite a JICA senior volunteer of the fund market of Japan to Uzbekistan to conduct analysis of functioning of the stock market and the activity of the Central depository in particular.

Meeting was continued with the representatives of VNESHSTROYBANK Depository (Russia) on the issue to open accounts for non residents on the territory of the Republic Uzbekistan.

Keeping on the traditions of bilateral relations the delegation of the Central Securities Depository of the Republic of Korea visited Uzbekistan in September 2006. It was consisted of its Chairman Mr. Eu Dong Chung, Director of the Service Department Mr, Yeng Chul Yung and Head of CSD-9 Hu Sang Yoo, being the member of working group for developing measures on organization of the World Congress of the Central depositories, which is to take place in April, 2007 in Seoul.

The members of delegation met with Chairman of the the State Property Committee of the Republic of Uzbekistan Mr. D. Musaev, with the Deputy Minister of finance S. Bekenov, General Director of the Center for coordination and control over functioning of securities market K. Talypov. Acting General Director of the Central Depository A. Smolin and senior technologist N.Barsukova took part in these meetings.

On the meetings there were interesting opinion exchanges about collaboration on organization of operations with trans frontier transactions, the exchange of statistical information related to depository activity and information about new technologies. It was given a large attention to the issues of bilateral study of the system of depository account, organization of mutual internships, seminars and in-plant training of specialists.

The leader of delegation Mr. Eu Dong of Chung told in details about activity of the depository system of the South Korea, the condition of the fund market which can be of interest and give wide possibilities to the Uzbek businessmen.



The decision and intention for the further deepening of collaboration of the funds markets of the Republic Uzbekistan and the Republic Korea was outspoken in conclusion by both sides.

Technological service took active part in the working meetings conducted by the Center on bringing of amendments and supplements the «Single rules (standards) of depository accounts and accounting» and in the prosecution of working up a strategy of equities market development for 2006-2008.

Suggestions were geared-up on making of regulation of cooperation of the State Property Committee, the Central Depository, RFB «Toshkent», RKP «Elsis-clearing» and GUP «Active Broker» during the realization of the state assets as shares of joint-stock companies.

On elaboration the Statute on the order of cooperation of bailiffs with courts, law enforcement authority's financial credit organizations at the forced execution of judicial acts and acts of other authorities it was put forward suggestions about cooperation of bailiffs with the Central depository and depositories of 2nd level.

The employers of technological service took part in the first international Central-Asian conference «The market of equities of Uzbekistan and the countries of Central Asia. The possibilities for issuers and investors» by way of delivering a lecture «A depository system yesterday, today and tomorrow».

The senior technologist took part in the 3<sup>rd</sup> International conference of the Association of Central depositories of Eurasia, the member of which the Central depository of Uzbekistan is, which was hold in October 19-20, 2006 in Kishinev (the Republic of Moldova). At the conference examined the issues of the electronic document processing of central depositories of the CIS countries, standards of ISO, problems and prospects of introduction of electronic document-process between the participants of the central depositories of Eurasia.

By invitation of the National depository center of Russia (NDC) in a period from the 23<sup>rd</sup> to 28<sup>th</sup> of October, 2006 the employers of technological and technical services passed internship by the questions of:

- The possibilities of establishment of presses relations of the Central depository of the Uzbekistan with NDC, the order of opening of correspondent account in NDC to the foreign depository, requirements produced by the Russian legislation and NDC to the foreign depository;
- The cooperation with NDC (the exchange of information) with a nominal holder, with point-of-sale grounds (holding calculations), with Depository-clearing Company;
- The account types of depot. The order of fixing the information on the accounts of depot or in the registrations registers of depository about the owner of securities during transmission them to the confiding management, to the mortgagee;
- The system of depository account at the market of state and corporate securities. Depositories operations at the second appeal of securities;
- The service of corporate actions of issuer. The obligatory corporate actions, the order of collection of list of the registered persons;
- The organization of internal and external control in NDC, their normative documents, internal documents that regulate an activity of service of control;
- An activity of NDC on the decline of the risks related to realization of depository activity.

In the 2nd quarters of 2006 the workers of technological service made a working meeting with the specialists of depositories, the countries-participants of ASDE.

A certain work is conducted in part of development and claim of orders and regulations:

- “The order of control of financial activity of PIFs” is ratified.
- “The regulation of holding of verification of rightness of forming of the statistical information formed from the database of Central depository and grants of analytical information” is passed for consideration.

Within the framework of realization of measures on creation of Computer-integrated Business of the Informative system for the participants of equities market a work was continued with the authorized state organ, a correspondence was conducted with private depositories and the Center on proposals of «NCI Projects International, Inc» Company (IBIS) and exchange of informative files.

The working conferences were conducted with the proper managements on the questions of mechanism of exposure of accounts-invoices to the clients of MTS and point-of-sale system of «Savdo».

Taking of inventory of paper documents of management is conducted and the acts of handing over of documents are designed in an archive.

In the 3rd quarter of 2006 there was developed and ratified agreement of cooperation of the State unitary enterprise of «Active Broker» and State Central Securities Depository during the holding of exchanges auctions and execution of transactions with the shares holdings.

A large work is conducted on the analysis of legislative base of equities market. In accordance with Protocol of working conference of the Center by 21.04.2006 and the plan of measures on realization the Strategy of equities market development on 2006-2008. There was created a working group from the employees of the Central depository, on consideration and bringing of suggestions for bringing of amendments and supplements in legislative and normative documents on questions:

- The simplifications of the registration system of equities market by means of development of the system of central recorder of the Central Securities Depository;
- The determinations of clear regulation of account and certification of rights to securities, a transition of ownership rights to them;
- Introductions of the two-tier system of nominal holders within the framework of the registration system of equities market. The grant of right to the investment institutes to carry out the functions of nominal copy-holder valuable without the receipt of license;
- The introductions of mechanism of providing complete dematerialization corporate securities;
- Grants of right to the investment consultants to give recommendations about the purchase or sale of concrete securities;
- The preparations of changing the legislation that separate limitations foreseeing abolition on combination of professional types of activity at the equities market;
- Standardizations of operating legislative acts by development of single Law «About the equities market», uniting acting Laws «About securities and exchange stock», «About the mechanism of functioning of equities market», «About activity of depositories at the equities market».

Founding on results of the done work the project of the incorporated Law «On an equities market» is geared-up.

There were considered questions about development of legislative basis of further perfection of normatively-legal base in the field of the collective investing, the selection of normative documents is conducted on the collective investing applied in the foreign states for development of legislative basis for further perfection of normatively-legal base in this sphere.

The service of informatively-communications technologies regularly conducted administration of programmatic complex, on the systems directed on providing of the trouble-free functioning:

- The systems on servers;
- The systems on the user's computers;
- The networks of depository;
- The SUBD OF INFORMYKS;
- The postal system.

In obedience to the ratified regulations the service of software tuned additional operations of conducted in the point-of-sale systems was conducted, formed the base on the vault of information in a complex, updated the statistical information.

On aroused problems in software the following changes were borne:

- The returning of investment funds to service in the Central depository resulted in the necessity of introduction of additions for the proper block of complex, touching the capability of clients;

- Because of with the increase of length of field of the name of bank, locking of the authorized persons, procedures of bringing of changes are renewed in length of the field MFO/SWIFT;

- For sections of ground of MTS, the storage of securities service is connected, the tuning of accounts and operations for the exposure of accounts-invoices for providing of services on the ground of MTS is made;

- Contributory changes in a block "Single base of depositors", related for unloading of informative files, closing of depositors;

- Because of the renewal of point-of-sale ground of ESVT some additions were borne in a block of "Electronic opening of TSK" for the automatic opening of the proper sections.

- The undertaking was provided of current works related to functioning of programmatic complex.

Inculcated and neglected the block "Pricing on point-of-sale grounds". Three storable procedures were written because of this matter, a new table is created in the base of report, the separate program was made for unloading the information from a base to file with .dbf format. In a basic project Vakt\_Adm the proper additions and changes were borne.

Was developed a program for an exchange the information between the system IBIS and CD, the proper changes were borne in the basic project of depository complex and summery project, and also a new procedures touching the vault of information to different directions of activity were written.

It was made the separate program for determination of basic clients - physical persons and set to the users having an access to operations with basic clients.

For creation of maximal comfort for users there were include programs of "InvestPif" – for unloading investment portfolio of PIFs in the format of .xls, and "Shedul2" - for auto run the programs necessary for a user on his determination.

There were developed and inculcated in exploitation the programs for verification of depositories of 2nd level - "SverkaDepozit", collation of LORO/NOSTRO - "SverkaLoroNostro".

On regular basis there were conducted works related to modernization of the personal computers of users, eight computers were modernized in particular, two new processors blocks were collected. There was modernized a computer for users of Internet. The weekly holding of prophylaxis of facilities of the computing engineering, preparation of equipment for new workers of places, on the requests of the proper subdivisions is provided.

## United database of shareholders

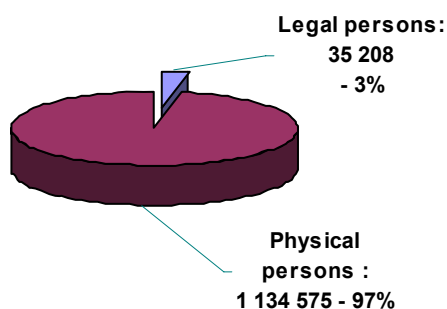
For clarification the information about the amount of registered persons in electronic bases, jointly with 37 depositories of the 2nd level there was conducted the continuous taking of inventory of artificial and physical persons who last registration. The results of taking of inventory showed that on the state on December 31, 2006 the amount of the registered persons in United database of shareholders made 1 169,8 thousand units, from them 35,2 thousands legal and 1 134,6 thousand physical persons.

During 3 quarters of the current year some changes were born in registry information 65 thousand depositors, on the clients requests was made the delivery of bearers' lists of securities.

For the last 3 years there was incorporated the tendency of steady growth of number of depositors in a single base from 973,5 thousands in 2004 to 1 169,8 thousands in 2006.

The correlation of amount of physical and artificial persons in United database of shareholders are looked over in the enclosed diagram:

**Ratio of physical and legal persons in united database of shareholders**



## The storage of available securities

On the state of January 2, 2007 the available actions of 66 joint-stock companies there are in the storage, for an amount of more than 3.2 million pieces. During the current period it was accepted more than 39.5 million pieces of actions on 7.6 billion sums (at par value), 42.4 million pieces are withdrawn from storage on 12.8 billion sums for safekeeping.

## The Internal control

To execute the Decision of Cabinet of Ministers of the Republic Uzbekistan from 30.06.2006 after 126 «About the order of grant the information, related to counteraction of legalization the profits, that was got from criminal activity, and financing of terrorism», in the structure of the Central depository in August of 2006 there was created and functions the Department of internal control, its basic task is the realization of internal control of operations carried out by subdivisions of the Central depository and cooperation with Department of fight against the taxes, currency crimes and legalization of criminal profits at the General prosecution of the Republic of Uzbekistan.

Since the creation the service conducted on the control of execution of operations:

- With monies facilities or with other property of investment funds;
- With securities of shareholders of investment funds;
- Of realization by the state committee of property the shares holdings of joint-stock companies by direct agreements (on the decisions of state tender commission) to the physical or artificial persons;
- With the reception and withdrawals from the storage of available securities in Depository.

During the period of service functioning there were not noticed operations that were equal or exceeded the 4000-multiple size of the minimum wage set on the day of making the operations.

### **The Legal activity**

Legal service carried out preliminary verification of accordance to the current legislation of orders and other documents of legal character, and also participated, in necessary cases, in preparation of these documents, conducted monitoring after execution of points of claim, carried out the control after the receipt of determinations, decisions, receiving-orders, summarized all claim work. It was accepted participation in meetings of economic ships at consideration of points of claim and other businesses.

### **The Problems and not solved tasks**

Presently in the process of realization of the basic tasks laid on the Central depository, there were some problems, and also separate questions the successful decision of which would be instrumental in the further improvement of activity of the depository system, they are:

1. The separate joint-stock companies, letting out additional actions due to capitalization arrived, does not place them on the accounts of shareholders for a long time, hereunder hurting their sound titles.
2. In case of occurring of emergencies situations and death server economy, there is no clear plan of actions of the proper service.
3. In the separate depositories of 2nd level the qualification of senior officials fall short of to the produced requirements.

### **Tasks and measures on the removal of problems and failings**

In the aim of afore-named problems the following tasks are set in the nearest prospect to realization:

### ***Suggestions in solving the problems***

1. The development and introduction of mechanism of distributing of the additional actions, let out due to capitalization arrived and including on the accounts of depot of shareholders the actions that is due to them.
2. The development of necessary regulations foreseeing actions of workers of Management of informatively-communications technologies on their actions in case of occurring of nonpermanent situations, liquidation of consequences of failures of server economy.
3. To develop a program of teaching and in-plant training of senior officials of depositories of 2nd level.