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It is essential to guarantee trust in benchmarks, VSE

15 Dec 2016

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On September 1, 2016, Christoph Boschan (*pictured*) started his position as the new chief executive officer (CEO) of Wiener Börse (Vienna Stock Exchange - VSE). With the appointment of Boschan, who previously held the role of joint CEO of Börse Stuttgart and Euwax, the VSE completed its board of directors which also include Ludwig Nießen (COO & CTO) and Petr Koblíček (CFO). In November Boschan was also appointed to the advisory board of the Austrian Certificate Association (Zertifikate Forum Austria - ZFA).

In an interview, Boschan shares his views with SRP on benchmark regulation, the role of VSE as secondary market and the importance of educating the public with respect to the features of certificates and the trading opportunities in these instruments.

"2016 has been quite a successful year. In a context of declining trading volumes across European stock markets stock trading on the Austrian capital market has developed quite well. For the future we see it is essential to guarantee trust in the financial market, especially in benchmarks. The current trend towards over-regulation is definitely a challenge for all markets. Instead of introducing new rules for established and reliable indices, we need rules for those benchmarks that lack transparent and verifiable inclusion criteria and consequently have been subject to manipulation in the past.

"With respect to the capital market union, it is essential to bring investors closer to the capital markets - through stocks, funds and structured products. Banks and stock markets need to bundle their forces and combine their strengths to achieve those goals in 2017.

"With just under 5,000 certificates, VSE has established itself as a popular secondary market, which offers the investor a wide range of different investment opportunities as well as all-day, liquid trading. With its extensive product range, Erste Group and Raiffeisen Centrobank not only issue certificates, but also ensure that large volumes can be traded at fair market prices even during the product-lifecycle. They are supported by the VSE which offers a dedicated market segment for structured products and exchange traded funds (ETFs).

"We have mechanisms that promote liquidity in this market segment. Our market maker system helps to improve the price quality for structured products. For the future we focus on information and greater transparency and we need to find a market design for every need.

You always need highly advanced, fully automated systems and you also need someone to create liquidity, if necessary.

"Together with major Austrian sponsors of structured products the VSE has helped setting up the ZFA. This forum is a professional association specialised in the definition and implementation of general standards for certificates in Austria as well as the education of the broad public with respect to the features of certificates and the trading opportunities in these instruments.

"The road to success lies in financial education and information. Education is by far the best investor protection no matter what product we are talking about. The VSE organises more than 500 training courses per year. Börse Stuttgart, my former home base, is a retail exchange concentrated on certificates trading. Through my professional background I am closely bound to this topic and I hope to give some valuable impulses on the Austrian market. At the same time, I am particularly committed to private investors."

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