



# **CHARTER**

**APPROVED DURING 11<sup>TH</sup> ACG GENERAL MEETING  
ON SEPTEMBER 4, 2007,  
(LAST REVISED ON DECEMBER 7, 2016)**

## CHARTER

### ASIA-PACIFIC CENTRAL SECURITIES DEPOSITORY GROUP

#### Article 1

##### **Title and Structure:–**

The Group shall adopt the name “Asia-Pacific Central Securities Depository Group” (ACG), hereinafter referred to as “the Group”, and the Group shall be formed based on an informal structure.

#### Article 2

##### **Purpose:–**

- a. To facilitate exchange of information and promote mutual assistance among members of the Group (hereinafter referred to as “Members”) with a view to developing the securities markets in the Asia-Pacific Region. The functioning of the Group, however, is not binding on the activity of any Member
- b. To encourage the local markets to adopt best practices, with due consideration to the specific situation of each market
- c. To promote efficiency and cost effectiveness in the clearing, settlement and depository services, provided in the region’s securities markets
- d. To establish committees, whether permanent or temporary, to co-ordinate tasks and carry out activities of the Group in accordance with its purpose to promote clearing, settlement and securities depository services. Such committees are to be established by the General Meeting prescribed in Article 4.1 (hereinafter referred to as the “General Meeting”)
- e. To develop channels for dialogue with other international organizations

#### Article 3

##### **Membership**

##### **3.1 Eligibility:–**

##### **3.1.1 Member:–**

A member shall be an entity in the Asia-Pacific Region with one or two of the following roles:

- a. Central depository services for financial instruments
- b. Central clearinghouses for financial instruments

### **3.1.2 Associate Member:–**

An associate member shall be an entity with any of the following roles:

- a. Industry participants such as Custodian Banks, Stock Exchange or an association of such entities.
- b. Central depository or Central clearinghouses for financial instruments

## **3.2 Rights**

### **3.2.1 Member:–**

Members shall have the following rights:

- a. To attend Annual General Meetings prescribed in Article 4.2 (hereinafter referred to as “Annual General Meetings”) and Extraordinary General Meetings prescribed in Article 4.3 (hereinafter referred to as “Extraordinary General Meetings”)
- b. To vote as and when required
- c. To run for a seat in the Executive Committee prescribed in Article 5.1 (hereinafter referred to as “Executive Committee”)
- d. Other rights prescribed in this Charter

### **3.2.2 Associate Member:–**

Associate Members shall have the following rights:

- a. To attend Annual General Meetings prescribed in Article 4.2 (hereinafter referred to as “Annual General Meetings”)
- b. To Attend Cross Training Seminar prescribed in Article 7 (hereinafter referred to as “Seminar”)
- c. To be a part of be part of any Task Force/ Working Group but cannot hold the position of convener.
- d. Associate members are only entitled to the rights stated in Article 3.2.2 of the ACG charter.

## **3.3 Admission**

### **3.3.1 Membership Application**

Membership applications must be signed by the person authorized to represent the applicant entity and submitted in writing to the Executive Committee Secretariat prescribed in Article 5.5 (hereinafter referred to as the “Secretariat”).

### **3.3.2 Approval**

Applications for admission have to be approved by more than one-half (1/2) of Members present at Annual General Meetings or more than one-half (1/2) of all Members at Extraordinary General Meetings.

**3.4 Loss of Membership****3.4.1 Member:–**

A Member shall lose its membership due to any one of the following reasons:

- a. A Member commits acts that adversely affect or seriously compromise the interests of the Group, and the loss of membership is approved by at least two-thirds (2/3) of Members present at Annual General Meetings or at least two-thirds (2/3) of all Members at Extraordinary General Meetings.
- b. The member entity is dissolved or liquidated.
- c. The member entity ceases to operate as a central securities depository and/or a central clearinghouse, or such functions are transferred to another securities depository or clearinghouse.
- d. A Member voluntarily withdraws its membership by submitting a written notice to the Secretariat.

**3.4.2 Associate Member:–**

An Associate member shall lose its membership due to any one of the following reasons:

- a. An Associate Member commits acts that adversely affect or seriously compromise the interests of the Group.
- b. The Associate Member entity is dissolved or liquidated.
- c. The Associate Member entity ceases to be eligible as per Article 3.1.2
- d. An Associate Member voluntarily withdraws its membership by submitting a written notice to the Secretariat.

**Article 4****General Meeting:–****4.1 General Meeting**

The General Meeting is a supreme decision making body of the Group, which is made-up of all Members.

The General Meeting has powers and responsibilities to resolve all issues related to administration and management of the Group such as:

- a. Select three institutions by vote as the Executive Committee Members prescribed in Article 5.2 (hereinafter referred to as “Executive Committee Members”)
- b. Endorse conveners of the Task Forces prescribed in Article 6.1 (hereinafter referred to as “Task Forces”) as Executive Committee Members
- c. Endorse the Executive Committee Chairman prescribed in Article 5.4 (hereinafter referred to as “Executive Committee Chairman”), who is selected by

---

**Asia-Pacific Central Securities Depository Group**

---

the Executive Committee

- d. Endorse the Annual General Meeting Chairman prescribed in Article 4.2.6 (hereinafter referred to as “Annual General Meeting Chairman”)
- e. Approve the medium-term activity plan and policies drafted and proposed by the Executive Committee
- f. Approve proposals submitted by Members
- g. Permit admission of new Members or termination of membership
- h. Approve establishment of Task Forces and Working Groups prescribed in Article 6.2 (hereinafter referred to as “Working Groups”)
- i. Approve amendments to the Charter of the Group
- j. Dissolve the Group
- k. Dismiss Executive Committee Members, the Executive Committee Chairman, or the Secretariat

The General Meeting can delegate part of its powers to the Executive Committee as necessary.

## **4.2 Annual General Meetings**

Annual General Meetings shall be held once a year (from January 1 to December 31 of each year).

### **4.2.1 Decision of the host**

The host of Annual General Meetings shall be chosen as prescribed below.

#### **4.2.1.1 Calling for the host**

The notice to call for the host shall be sent by the Secretariat to all Members by March 31 of one year in advance.

#### **4.2.1.2 Application for the host**

Host applications must be signed by the person authorized to represent the applicant entity and submitted in writing to the Secretariat during the period of April 1 to April 30 of one year in advance. In cases of no application during the period, the Executive Committee can extend the period to apply for the host.

#### **4.2.1.3 Decision of the host**

In cases where only one Member applies for the host, the Member is chosen as the host.

In cases where multiple Members apply for the host, the Executive Committee

---

**Asia-Pacific Central Securities Depository Group**

---

decides the host, based on the conditions such as:

- a. The Member whose experience of the host of Annual General Meetings is less than the others is prioritized.
- b. In cases where the number is the same in a., the Member whose latest experience of the host of Annual General Meetings is prior to the others is prioritized. In cases all Members have no experience of the host of Annual General Meetings, the Member which joined ACG in first is prioritized.

In cases where no Member applies for the host, the Executive Committee implements the activity to promote the candidacy and decide the host, based on the conditions as prescribed above a. and b. The Executive Committee may consider the possibility of appointing the host among Executive Committee Members.

**4.2.1.4 Notification of the host**

The host shall be notified immediately to all Members by the Secretariat.

**4.2.2 Summon**

The Annual General Meeting Chairman will summon Members to Annual General Meetings.

**4.2.3 Quorum**

More than one half (1/2) of all Members need to be present at Annual General Meetings in order to satisfy the quorum.

**4.2.4 Resolution**

Resolution put to the vote shall be passed if approved by more than one-half (1/2) of the votes of Members present at Annual General Meetings, unless specified otherwise in the Charter of the Group.

**4.2.5 Voting Rights**

Each Member participating at Annual General Meetings is entitled to one vote.

**4.2.6 Minutes**

All matters taken up during Annual General Meetings shall be recorded in the minutes. The minutes shall be prepared by the Member who hosts the Annual General Meeting and circulated to Members.

#### **4.2.7 Annual General Meeting Chairman**

The Annual General Meeting Chairman shall be selected as a natural person from the hosting member of the Group and shall be endorsed by the General Meeting.

The Annual General Meeting Chairman has powers and responsibilities to:

- a. Summon Members to Annual General Meetings
- b. Moderate proceedings at Annual General Meetings

#### **4.2.8 Annual General Meeting Management Team**

The Annual General Meeting Management Team is a coordinating body of Annual General Meetings and formed from two institutions, comprising a Member from the host of the previous Annual General Meeting and a Member from the host of the upcoming Annual General Meeting.

The Annual General Meeting Management Team has powers and responsibilities to:

- a. Take over and continue preparation items and sequences for management of Annual General Meetings
- b. Arrange main themes, program, speakers, etc. and handle resolutions to be considered at Annual General Meetings
- c. Prepare and distribute the minutes to Members
- d. Upload presentation materials, minutes and other applicable items to the website of the Group

The Annual General Meeting Management Team may contact and coordinate with the Executive Committee as necessary.

#### **4.3 Extraordinary General Meetings**

Extraordinary General Meetings shall be held in cases where the need arises to make a decision by vote of Members outside of Annual General Meetings.

Members requesting Extraordinary General Meetings shall submit their request to the Executive Committee, and if the necessity of the meeting is duly recognized by Executive Committee, physical or non-physical Extraordinary General Meetings shall be held to vote on the matter.

### **4.3.1 Non-physical Extraordinary General Meeting**

#### **4.3.1.1 Summon**

The Executive Committee Chairman will summon Members to non- physical Extraordinary General Meetings.

#### **4.3.1.2 Quorum**

The quorum for non-physical Extraordinary General Meetings shall be satisfied when more than one-half (1/2) of all Members have submitted their valid votes under a name of their representatives or secondary representatives, whose names are reported to Secretariat in advance.

#### **4.3.1.3 Resolutions**

Resolutions put to the vote at non-physical Extraordinary General Meetings shall be passed if approved by more than one-half (1/2) of the valid votes of Members, unless specified otherwise in the Charter of the Group.

#### **4.3.1.4 Voting Rights**

Each Member participating at non-physical Extraordinary General Meetings is entitled to one vote.

Permissible voting methods in non-physical Extraordinary General Meetings shall be by email, telephone conference, post and facsimile.

### **4.3.2 Physical Extraordinary General Meeting**

Physical Extraordinary General Meetings can be held in cases where the Executive Committee recognizes that a matter is important and therefore required to be discussed at a physical meeting.

#### **4.3.2.1 Summons**

The Executive Committee Chairman will summon Members to physical Extraordinary General Meetings.

#### **4.3.2.2 Quorum**

The quorum for physical Extraordinary General Meetings shall be satisfied if attended by more than one-half (1/2) of all Members.



#### **4.3.2.3 Resolutions**

Resolutions put to the vote at physical Extraordinary General Meetings shall be passed if approved by the majority of Members attending physical Extraordinary General Meetings, unless specified otherwise in the Charter of the Group.

#### **4.3.2.4 Voting Rights**

Each Member attending physical Extraordinary General Meetings is entitled to one vote.

#### **4.3.3 Minutes**

All matters taken up during physical or non-physical Extraordinary General Meetings shall be recorded in the minutes. The minutes shall be prepared by the Secretariat and circulated to Members.

### **Article 5**

#### **Executive Committee:–**

##### **5.1 Executive Committee**

The Executive Committee is the principal body responsible for managing activities of the Group from a long-term perspective and is comprised of all institutions acting as convener in each Task Force along with three (3) other institutions to be voted on by Members. No Member shall concurrently hold more than one seat on the Executive Committee.

All Members shall enjoy the right to run for a seat on the Executive Committee.

The Executive Committee has powers and responsibilities to:

- a. Nominate the Executive Committee Chairman and propose to the General Meeting for endorsement
- b. Formulate, oversee and review the medium-term activity plan
- c. Draft amendments to the Charter of the Group
- d. Consider proposals submitted by Members and select proposals to be discussed by Members
- e. Communicate and cooperate with the Annual General Meeting Management Team prescribed in Article 4.2.7 on matters relating to Annual General Meetings
- f. Coordinate Extraordinary General Meetings
- g. Examine activities that the Group should participate in, and select representatives in charge from among Members

---

**Asia-Pacific Central Securities Depository Group**

---

- h. Appoint the acting Chairman among Executive Committee Members for external activities in cases where the Executive Committee Chairman cannot represent the Group
- i. Receive applications to join or withdraw from the Group and submit them to General Meetings for approval

**5.2 Executive Committee Members**

Executive Committee Members shall be selected or endorsed by Members at every third Annual General Meeting. In cases where an Executive Committee Member becomes unable to perform the necessary duties during the Member's period of duty, the General Meeting will select or endorse a new Executive Committee Member to fill the vacancy. The new Executive Committee Member will serve for the time remaining until the next Executive Committee Members' selection at the Annual General Meeting.

Executive Committee Members shall be institutions and each institution on the committee shall appoint a representative and a secondary representative, both natural persons. Executive Committee Members need to report a newly appointed person to the Executive Committee in cases where there is a replacement of representative or a secondary representative.

**5.3 Executive Committee Meetings**

Executive Committee Meetings shall be held in cases where the need arises to make a decision by discussion or vote of Executive Committee Members.

**5.3.1 Non-physical Executive Committee Meetings****5.3.1.1 Summons**

The Executive Committee Chairman will summon Executive Committee Members to non-physical Executive Committee Meetings.

**5.3.1.2 Quorum**

The quorum for non-physical Executive Committee Meetings shall be satisfied when all Executive Committee Members have submitted their valid votes under the name of their representatives or secondary representatives.

---

#### **5.3.1.3 Resolutions**

Resolutions put to the vote at non-physical Executive Committee Meetings shall be passed if approved by more than one-half (1/2) of the valid vote of all Executive Committee Members, unless specified otherwise in the Charter of the Group.

In cases of tied votes, the Executive Committee Chairman shall have a casting vote. In cases where there are an odd number of institutions on the Executive Committee, the Executive Committee Chairman will not be allowed to have a casting vote.

#### **5.3.1.4 Voting Rights**

Each member of the Executive Committee is entitled to one vote.

Permissible voting methods in non-physical Executive Committee Meetings shall be by email, telephone conference, post and facsimile.

### **5.3.2 Physical Executive Committee Meetings**

#### **5.3.2.1 Summons**

The Executive Committee Chairman will summon Executive Committee Members to physical Executive Committee Meetings.

#### **5.3.2.2 Quorum**

The quorum for physical Executive Committee Meetings shall be satisfied when more than one-half (1/2) of Executive Committee Members have attended and the rest of the Executive Committee Members have submitted their valid votes under the name of their representatives or secondary representatives.

#### **5.3.2.3 Resolutions**

Resolutions put to the vote at physical Executive Committee Meetings shall be passed if approved by more than one-half (1/2) of the valid votes of all Executive Committee Members, unless specified otherwise in the Charter of the Group.

In cases of tied votes, the Executive Committee Chairman shall have a casting vote. In cases where there are an odd number of institutions on the committee, the Executive Committee Chairman will not be allowed to have a casting vote.

---

#### **5.3.2.4 Voting Rights**

Each member of the Executive Committee is entitled to one vote.

Permissible voting methods for Executive Committee Members not attending physical Executive Committee Meetings shall be by email, telephone conference, post and facsimile.

#### **5.3.3 Minutes**

All matters taken up during Executive Committee Meetings shall be recorded in the minutes. The minutes shall be prepared by the Secretariat and circulated to Members.

#### **5.4 Executive Committee Chairman**

The Executive Committee Chairman shall be a natural person, selected by and from among Executive Committee Members and endorsed by Members at every third Annual General Meeting. In cases where the Executive Committee Chairman becomes unable to perform the necessary duties during his or her period of duty, the Executive Committee will nominate a new Executive Committee Chairman and propose the nominee to the General Meeting for endorsement. The new Executive Committee Chairman will serve for the time remaining until the next Executive Committee Members' selection at the Annual General Meeting.

The Executive Committee Chairman has powers and responsibilities to:

- a. Appoint the Secretariat in consultation with other Executive Committee Members
- b. Lead and organize the overall activities of the Executive Committee
- c. Call and moderate Executive Committee Meetings prescribed in Article 5.3 (hereinafter referred to as "Executive Committee Meetings")
- d. Call and moderate Extraordinary General Meetings
- e. Have the casting vote in tied outcomes as prescribed in Article 5.3.1.3. and 5.3.2.3.
- f. Represent the Group for external activities
- g. Sign a credential letter for a Member to represent the Group to attend external meetings

## 5.5 Secretariat

Secretariat shall be an Executive Committee Member appointed by Executive Committee Chairman following discussions with other Executive Committee Members. Executive Committee Chairman may appoint its own institution as Secretariat.

The Secretariat shall be appointed by the Executive Committee Chairman at every third Annual General Meetings. In cases where the Secretariat becomes unable to perform his or her necessary duties during the period of duty, the Executive Committee Chairman will nominate a new Secretariat. The new Secretariat will serve for the time remaining until the next Executive Committee Members' selection at the Annual General Meeting.

The Secretariat has powers and responsibilities to:

- a. Draft the medium-term activity plan
- b. Receive proposals from Members
- c. Prepare agendas and materials for and set up Executive Committee Meetings
- d. Prepare minutes of Executive Committee Meetings
- e. Prepare agendas and materials for and set up Extraordinary General Meetings
- f. Prepare minutes of Extraordinary General Meetings

## Article 6

### Committees:-

#### 6.1 Task Forces

A Task Force is a researching body conducting studies and researching institutions both internal and external to the Group with respect to clearing and settlement systems and related services.

All Members may join Task Forces at their discretion and participate in activities.

A Task Force has powers and responsibilities to:

- a. Appoint a convener
- b. Determine objectives of study and research and formulate implementation plans
- c. Conduct studies in line with implementation plans
- d. Report on the progress of study activities to the Executive Committee

---

**Asia-Pacific Central Securities Depository Group**

---

- e. A Task Force may decide on and implement studies and research based on discussions with the Executive Committee as necessary.

**6.1.1 Establishment**

A Task Force shall be established if approved by at least two-thirds (2/3) of Members at Annual or Extraordinary General Meetings.

**6.1.2 Reform and Dissolution**

Reform to or dissolution of Task Forces shall be decided by Members at every third Annual General Meeting. Task Forces also can dissolve themselves as necessary before their terms are completed.

**6.1.3 Task Force Convener**

A Task Force Convener shall be an institution, selected by and from among Task Force Members at every third Annual General Meeting.

Task Force Conveners shall join the Executive Committee as members and be endorsed by Members at every third Annual General Meeting.

In cases where a Task Force Convener becomes unable to perform the necessary duties during the appointed period of duty, the Task Force appoints a new Task Force Convener and proposes this to the General Meeting for endorsement. The new Task Force Convener serves for the time remaining until the next Executive Committee Members' selection at the Annual General Meeting.

Task Force Conveners have powers and responsibilities to:

- a. Lead and organize the overall activities of Task Forces
- b. Call and moderate Task Force meetings

**6.2 Working Groups**

A Working Group may be formed by Members as an ad-hoc group, focusing on specific issues that are within the scope of the Group's purpose but are not delegated to Task Forces.

A Working Group shall be established if approved by at least two-thirds (2/3) of Members at Annual or Extraordinary General Meetings.

---

## Article 7

### **Cross Training Seminar:–**

Cross Training Seminar (hereinafter referred to as “Seminar”) is a conference which is hosted by an ACG Member and planned and managed by the host Member and Task Forces for the purpose stated in Article 2.

Seminar shall be held once a year (from January 1 to December 31 of each year).

The host of Seminar shall be chosen through the same process described in 4.2.1 except:

- a. The notice to call for the host shall be sent by September 30 of one year in advance.
- b. Host applications must be submitted during the period of October 1 to October 31 of one year in advance.

## Article 8

### **Amendments to the Charter:–**

Any amendment to this Charter shall be valid if approved by at least two-thirds (2/3) of Members present at Annual General Meetings or by at least two-thirds (2/3) of all Members at Extraordinary General Meeting.

## Article 9

### **Dissolution:–**

The Group shall not be dissolved unless approved by at least two-thirds (2/3) of Members present at Annual General Meetings or by at least two-thirds (2/3) of all Members at Extraordinary General Meeting.