

## 2022Q3 Online Bulletin

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## **TDCC's Digital Services Breaks New Ground: An Overall Inception of Bond Passbook Digitalization**

In 2020, TDCC launched digitalized services for trade confirmation data and bond passbook between bond dealers and custodian clients (B2B), and the services have won widespread praise since then. Until now, almost all the market participants have adopted the services. TDCC expanded the services between bond dealers and general investors (B2C) on August 22, 2022, setting a new milestone with continuous service optimization.

According to TDCC interim President Gloria Ching, TDCC has been providing the market with high-quality digitalized back-office services through Fintech and innovative thinking based on the co-organization with Taiwan Securities Association. To provide digitalized services between bond dealers and general investors, TDCC has channeled trade confirmation data and electronic bond passbook to the newly constructed TDCC i Inquiry Platform, putting into practice the ESG course of action.

To protect investors' rights and interests, TDCC has created an investment environment of diversity, inclusion, and security. Through computers, cellphones, or tablets, investors can connect to the online platform via an email link or log-in to inquire about bond trade confirmation slips, delivery statements, clearing and settlement statements, and electronic bond passbook updates sent from bond dealers in real time. As early termination of the electronic bond passbook occurs, the options include digital confirmation on the platform and physical confirmation on paper.

The launch of the services has drawn intense attention from the market and a significant number of inquiries from investors. The comprehensive activation of digitalized services has provided a contactless solution in the post-pandemic era. Besides, the complicated manual procedure involving postal services, courier services, and the process at a physical counter has been eliminated for both trading parties. Looking into the future, TDCC will keep exploring digital financial service applications, designing integrative interfaces, and incorporating a wide range of financial instruments so that the company can further provide investors with reliable digital data value-added services.

\*Source: [TDCC, 2022/08/22](#)

## Updates on TSD's e-Services

Due to the lessons learned from the pandemic, e-Service is confirmed as the focus of TSD direction, thus there are new initiatives deemed as another step in moving towards the new digital age;

### ■ e-Transfer

Initially, those investors who do not have the account with intermediaries, i.e. brokers or custodian can safekeep their shares in Issuer account<sup>1</sup>, however when they want to sell those shares they must transfer their shares from Issuer Account to their designated account opened with the broker. Thus to facilitate investors in managing their own securities deposited in Issuer Account, TSD is exploring the way that enable the investors to make a securities transfer by themselves via our existing channel "Investor Portal" called IVP, the electronic self-service portal provided by TSD which investors can access to inquiry their shareholder information such as the holding of share certificate, information of rights and benefit, the withholding tax summary etc.

The authentication process of the investors, which is the crucial part of this e-Service, shall be conducted via National Digital ID Proxy (NDID), a national infrastructural digitization platform to provide identity authentication (eKYC) to enable a straight through process for online transactions in the digital economy; therefore, it can be assured that such transactions for a particular account are made by authorized person. The development of e-Transfer is divided into two phases. The 1st phase is aimed to enable the investor to generate such transfer instruction by themselves. That particular instruction must be accepted by broker (receiver) as a cross-check procedure before processing the transfer in TSD system. This phase shall be implemented around January 2023.

While for the next phase, to enhance the customer centric, TSD system shall accommodate the broker to make the transfer instruction on behalf of their clients (investors) which require only the approval from the investors through IVP to complete the process.

### ■ e-Proxy

Updating for the progress of the e-Proxy platform which the 1st phase went live since 2020 with the scope of service provision allowing custodians (as TSD's members) to proceed proxy voting on behalf of foreign investors via platform where the information will then be collected and delivered electronically to the issuers, in February 2022, e-

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<sup>1</sup> Issuer Account is opened by the listed company that appointed TSD as a Registrar to facilitate the securities holders to safekeep their securities in scripless form.

Proxy Phase 2 was launched to support "local Asset Management Company (AMC)" to allow fund manager proceed proxy voting for their funds. For the first half of Year 2022, TSD is currently gathering the requirements from related parties in developing e-Proxy to be applicable also for Thai-resident investors with the aim to support the proxy voting for all type of investors.

### **Connect with e-Stamp of Revenue Department**

To fulfill the entire process of e-Proxy voting with digitalization, in 2021, TSD has also achieved the connectivity with Revenue Department for electronic stamp (e-Stamp) as stamp duty is legitimately required in the process. At initial stage, payment of e-Stamp can be made via some specific channels such as bank-branch counters, and it has been gradually improved to cover internet banking, and mobile banking. Since the beginning of Year 2022, TSD has consulted with stakeholders to expand further for more options such as BAHTNET system or advanced payment by TSD. This is to accommodate industry for any possible choices of preferences for e-Stamp payment associated with the process of online voting.

\*Source: [TSD & TCH Newsletter Vol.13, 2022/08/23](#)

## **TDCC's 4e Shareholder Services Shape a New Digital Future**

Digital innovation has been one of the government's top priorities in recent years. Being the back office of the capital markets in Taiwan, TDCC bears unshakable responsibility for such innovations in the market. "The 4e shareholder services are our priorities for the near future. e-Voting and e-Meeting were already launched. e-Notice and e-Gift are under development. With these services, we hope to diversify the digital development for shareholder meetings and bring investors more convenient digital services. Our goal is to lower operational costs for stockholder affairs, while fulfilling our commitment on ESG action plans and sustainable finance," says TDCC Chairman Han-Chiang Chu.

Here are current results of TDCC's 4e services and their outlook:

### **(1) Solid use of e-Voting, with high adoption rate among foreign investors.**

The e-Voting platform launched more than 10 years ago, yet TDCC continues to perfect it to satisfy the market's needs, and there have been impressive results. This year, nearly 60% of all the votes at shareholder meetings of TWSE-listed and TPEX-listed companies were cast on the platform. That number reached 98% for foreign investors as e-Voting is a convenient platform for them to exercise voting rights offshore.

### **(2) Innovative Shareholder Virtual Meeting Platform reinforces shareholder activism.**

Amid severe COVID conditions last year, TDCC promptly launched the Platform for Shareholder Meetings with Video Conference as Assistance under the guidance and support of competent authority. On the platform, shareholders can sign up, register, check in, watch live streams, raise questions online, cast and count votes. The entire process not only saves time but also make meeting participation more convenient. Last year's experiences helped TDCC's in-house Shareholder Virtual Meeting Platform a reality in 2022, and 72 companies have adopted the new platform to conduct their shareholder meetings. Continued optimization of the new platform will hopefully see increased adoption from more companies, further fulfilling shareholder activism.

### **(3) Paperless shareholder notices make the world a greener place.**

TDCC continues to expand its digital shareholder services in an attempt to help market participants focus on their ESG practices while in a carbon-free transition, and ultimately to meet the global goal of net zero emissions by 2050. Take shareholder notices, TDCC is in an on-going effort to make all notifications digital through various phases. Shareholders will be able to check relevant notices in real time on their phones

or via email, and companies can reduce the use of paper notification and therefore costs. e-Notice will be a win-win for all parties involved.

**(4) Gifts for shareholder meetings go digital to boost contactless economy.**

Each year during the season of shareholder meetings, shareholders go to physical locations for their souvenirs and gifts, which entails a lot of labor and logistics costs for companies. In addition, COVID-19 has brought extra risks of cluster infection. Consequently, TDCC is evaluating an e-Gift service that will make physical shareholder gifts into electronic products or balance cards, which will cut costs for both shareholders and companies, make the carbon-free goal more attainable, and fulfill ESG.

"As a hub for financial services," says TDCC Chairman Han-Chiang Chu, "the company will continue to introduce digital and web-based services for investors, so they can utilize more Internet and be in less traffic. More digital services for the securities market will be introduced to make the financial market more prosperous. Together, we can make a new digital future for the common good of the world."

\*Source: [TDCC, 2022/09/15](#)

## NSDL Initiatives for Investor Education

### ■ Investor Awareness Programs:

NSDL connects with investors through a series of Awareness Programmes conducted across the country in association with SEBI, Exchanges, SEBI registered market intermediaries and other institutions etc. This year, due to pandemic, NSDL continued with most programs in form of webinars. Such programs are conducted in Hindi, English and other regional Indian languages on different topics related to the capital market and investment. Apart from providing a general introduction to the capital market, thematic programs are also conducted on topics relevant to investors' interests and market changes. NSDL engages industry experts and experienced subject matter experts drawn from SEBI, Exchanges, Depository Participants and in-house staff as speakers for these programs. The detailed Schedule of these programs is published on NSDL website well in advance. In addition, investors are informed about these programs through emails and SMS. These mediums enable investors to register for the programs as per their interest, need, and convenience. We also encourage participants to provide their feedback about the programs through a link on our website. Till now NSDL conducted 5200 programs in association with SEBI, exchanges, and depository participants and reached out directly to more than 5.13 lakh investors.

Student Outreach: NSDL conducted a certification program titled 'NSDL Certification in Capital Market'. This certification program is aimed at equipping students with adequate exposure to capital markets and to enable them to become Prudent Investor, once they start earning. The focus of the program is to provide students a practical insight into the nitty-gritty of the capital market. The faculties for this program include industry experts and market practitioners.

Due to the pandemic situation, this program was conducted completely online.

### ■ Market Ka Eklavya

Out of 130 Crore people in India, only 7% invest in the securities market. India has one of the youngest populations globally with an average age of 29 years. As this vast resource of young citizens enters the workforce, it can create demographic dividend. 'Market ka Eklavya' is a program presently targeted towards college students and aims at empowering them with financial knowledge. Market ka Eklavya (a 5 hours online program) is a simple, immersive, and practical program designed to equip the youth with financial awareness and discipline by reasoning through first principles. The course

clarifies simple concepts of investing like thumb rules for investing and expense management, when, where, and how to Invest, do's and don'ts of investing etc.

**It covers 5 modules:**

Module 1 - 3 Is - Income, inflation and investment.

Module 2 - 3 Ss of Investment - Start early, spread wide, stay long

Module 3 - Primary and secondary markets

Module 4 - Demystifying Jargon

Module 5 - Do's & Don'ts of Investment

\*Source: [NSDL Newsletter, Jun-August 2022](#)



## **HKEX Launches New Investor Relations Portal, IR CONNECT**

Hong Kong Exchanges and Clearing Limited (HKEX) is today (Wednesday) pleased to announce the launch of IR Connect, a new digital investor relations platform, to help Hong Kong-listed issuers build connectivity and regular dialogue with their stakeholders.

IR Connect offers an accessible, professional and cost-effective way, through a one-stop portal, for Hong Kong-listed issuers to develop and manage their investor relations activities, enhancing their outreach and visibility within the investment community.

HKEX Chief Executive Officer, Nicolas Aguzin, said: “HKEX is committed to supporting our listed issuers throughout their corporate lifecycle. We are therefore today very pleased to launch IR Connect, which will help issuers manage their investor relations in a cost-effective and efficient manner. The launch of IR Connect will help enhance our service offering to drive greater connectivity, accessibility and transparency across our markets.”

In the first phase of IR Connect, users can gain free access to listed companies’ corporate profiles and key market data. Meanwhile, listed companies will have free access to shareholder analysis and market data, key stock statistics and research ratings, as well as details of peer competitors and their shareholders. In addition, IR Connect offers listed companies a cost-effective way to access a wide range of data and information through subscriptions with leading data providers.

Future enhancements to IR Connect will offer enhanced digital communication tools, and eventually allow issuers to communicate directly with investors through the portal. More information on IR Connect is available [here](#).

To coincide with the launch of IR Connect, HKEX will host the second instalment of its Corporate Access series on 7 July (Thursday), with the theme being ‘The future of investor relations’. The event will look at emerging trends in the investor relations space and the wider investor community.

\*Source: [HKEX, 2022/07/06](#)

## **SGX Group and MAS launch SGX ESGenome disclosure portal to streamline sustainability reporting and enhance investor access to ESG data**

Singapore Exchange (SGX Group) and the Monetary Authority of Singapore (MAS) today jointly launched ESGenome, a digital disclosure portal for companies to report Environmental, Social and Governance (ESG) data in a structured and efficient manner, and for investors to access such data in a consistent and comparable format.

ESGenome is a joint initiative by SGX Group and MAS under Project Greenprint , to develop a common disclosure utility that will facilitate sustainability reporting for SGX-listed companies .

With corporate sustainability disclosures representing one of the largest sources of ESG data globally, there is great scope to harness technology to enhance such disclosures and comparability of data to support the financing decisions needed for a credible transition. Currently the proliferation of multiple sustainability reporting frameworks and guidelines across jurisdictions, and the inconsistent manner in which data is being collected, verified and reported have created significant disclosure challenges and resulted in poor ESG data comparability.

ESGenome is a Software-as-a-Service (SaaS) solution operated by World Wide Generation (WWG). It helps SGX-listed companies simplify the disclosure process using a core set of metrics that is mapped across global standards and frameworks.

- Companies can carry out their baseline sustainability reporting based on a set of 27 SGX core ESG metrics .
- Companies can make additional disclosures in line with globally recognised ESG reporting standards and frameworks across more than 3,000 ESG metrics, depending on materiality and their business needs.
- Companies need only provide a one-time input for each ESG metric – these inputs can be automatically mapped across their selected standards and frameworks to cater to different investor requirements.
- A sustainability report can be automatically generated from the inputs.

For investors and financial institutions, ESGenome provides access to relevant and comparable ESG data that allows for meaningful peer benchmarking and tracking of sustainability commitments and key performance indicators. This enables capital to be mobilised more efficiently toward sustainable companies and projects.

MAS will also draw on the learnings from ESGenome to address the reporting needs of the broader universe of corporates, notably small and medium-sized enterprises, and supply chain partners and suppliers, as part of its ongoing work on Project Greenprint.

Mr. Michael Syn, Senior Managing Director and Head of Equities, SGX Group, said, “ESGenome is designed to capture corporate sustainability disclosures in a simple and effective manner useful to investors and the broader capital market ecosystem. We are optimistic that by being frontrunners in ESG data disclosure via ESGenome, our listed companies will be in a better position to raise capital and attract international investors who are actively looking for leading ESG firms.”

Dr. Darian McBain, Chief Sustainability Officer, MAS, said, “High quality sustainability data is critical for better decision making by corporates and financial institutions as they look to deliver against the UN SDG 2030 goals and their net zero transition pathways. Technology is an important enabler for the efficient, timely and accurate reporting of this data against the backdrop of a rapidly evolving global disclosure landscape. We are excited to launch ESGenome together with SGX to help listed entities in Singapore reduce the effort required to report on sustainability, assess impact, and drive informed decision making in their sustainability journey.”

Mrs. Ong-Ang Ai Boon, Director, The Association of Banks in Singapore, said, “ABS welcomes the initiative. This is a good common disclosure utility, giving ABS a timely use case for our banking members to collect data directly from the private sector and in particular, SME clients, an important data set that is currently missing. ABS looks forward to collaborating with our regulator, businesses, solution providers and stakeholders to continue accelerating the financing and transition to a much-needed greener future.”

\*Source: [SGX, 2022/09/12](#)