

2024Q4 Online Bulletin

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KSEI Implements K-CASH to Improve Mutual Fund Cash Transaction Management Efficiency

The Indonesia Central Securities Depository (KSEI) today launched the KSEI - Cash Management (K-CASH) application, which functions as a cash management application that Capital Market Investors can use to improve the efficiency of their Mutual Fund transactions in the Indonesian Capital Market.

KSEI President Director Samsul Hidayat, accompanied by KSEI Board of Commissioners' President Commissioner Ahmad Fuad Fahmany and Commissioners Dian Fithri Fadila F. and Indra Christanto, officially presided over the launching ceremony. The launching was also witnessed by KSEI's Board of Directors' Director for Settlement, Custodian Services, and Surveillance, Eky Essiqy; Director for Infrastructure and Information, Dharma Setyadi; and Director for Finance and Administration, Imelda Sebayang. Meanwhile, the Financial Services Authority (OJK) Head of Investment and Regional Capital Market Management Supervision Edi Broto Suwarno; the Board of Commissioners and Board of Directors of the Indonesia Stock Exchange (IDX) and the Indonesian Clearing and Guarantee Corporation (IDClear) also attended the event, along with guests from Self-Regulatory Organization (SRO) affiliates, capital market associations, and the Press.

KSEI itself developed the K-CASH application due to the rapid rise of the Mutual Fund sector supported by Selling Agent Financial Technologies (Selling Agent Fintech). Samsul stated in his remarks that "The development of K-CASH is KSEI's response to the extremely dynamic increase of Mutual Fund transactions in the capital market, especially in the use of digital platforms, which is currently the main choice of investors. With large transaction volumes, we also require a system that can handle the high frequencies quickly and accurately."

KSEI's data as of November 2024 recorded that over 10.2 million Mutual Fund Investors in Indonesia are currently using accounts through Fintech Selling Agents. This number is equal to 70.35% of the total number of Mutual Fund Investors, which is currently at 13.76 million. At this moment, there are 20 Selling Agent Fintech companies that are selling 464 Mutual Fund products and have recorded a total Asset Under Management (AUM) value of 30.8 trillion rupiahs.

Frequency-wise, up to the end of November 2024, up to 83% of subscription instructions, which is a frequency of 16.4 million instructions, are made through Selling Agent Fintech. Meanwhile, up to 85% of redemption instructions, or 7.9 million instructions, are also made through Selling Agent Fintech. This growth is clear proof of Mutual Fund Investors' trust in conducting transactions through Selling Agent Fintech digital-based platforms.

Samsul explained further that K-CASH was developed as a mechanism to replace virtual accounts with Investor Fund Unit Accounts (IFUA), which is a more secure alternative fund depository.

Previously, KSEI utilized IFUAs as accounts to record Investors' Mutual Fund investment portfolios and implemented it simultaneously with the Integrated Investment Management System (SINVEST) in 2016. The use of IFUA can also provide transparency, as Investors can monitor their cash positions during transaction processes.

KSEI's 2019-launched strategic plan on the full implementation of Central Bank Money (CEBM), which enables capital market cash transaction settlements to be entirely made through the Central Bank, also supported K-CASH's development. Furthermore, KSEI was also appointed as a BI-FAST member in 2022, which solidified KSEI's position in the national payment ecosystem. This appointment was based on the Financial Services Authority (OJK) Decree Number S-94/PM.2/2021, which approved KSEI as a BI-FAST Member that can conduct cash book entries for customers.

Thus, KSEI became the only non-bank participant that could develop a cash settlement mechanism through BI-FAST during BI-FAST's first phase of implementation throughout Indonesia. By becoming a BI-FAST participant, cash transfers through KSEI also became cheaper than through BI-RTGS.

On the same occasion, Edi noted that "K-CASH is part of our efforts to provide innovation. It came about after a long journey since its initiation by the OJK, SROs, and industry participant associations in 2019. In the meantime, the OJK has also issued a series of regulations to support this initiative."

In 2021, the OJK approved KSEI's initiative of implementing IFUAs as alternative fund depositories through OJK Letter Number S-94/PM.2/2021. The OJK also welcomed KSEI's implementation and development of BI-FAST's infrastructure. K-CASH's regulatory support was strengthened further after the issuing of Financial Services Authority Regulation (POJK) Number 4 of 2023, which complements IFUA's permit as a customer cash depository and book-entry platform.

Edi also took the opportunity to encourage all Mutual Fund Industry participants to utilize K-CASH after its implementation by KSEI fully. Edi hoped that K-CASH could propel the Mutual Fund Industry into a new, more modern, and inclusive era.

As part of the preparation for K-CASH implementation, KSEI has invited several Mutual Fund Industry participants to join its pilot project. From the more than a dozen registered companies, two Selling Agent Fintech companies and 7 Custodian Banks fully supported K-CASH's development by participating in its pilot project.

With the implementation of its K-CASH application, KSEI hopes that Mutual Fund Investors can now have an alternative method for their cash deposits and management, as well as an application that can provide more efficient, user-friendly, and cost-effective digital-based Mutual Fund transactions.

*Source: [KSEI, 2024/12/18](#)

TDCC eFastChannel Platform launches on December 23 Investors can easily convert their paper securities passbooks into mobile passbooks without visiting the securities firm counter

To enhance the convenience of converting a paper securities passbook into a mobile passbook services for investors and provide a better user experience, the Taiwan Depository & Clearing Corporation (TDCC) launched the "eFastChannel Platform" on December 23. This platform simplifies the process for investors, allowing them to convert all their paper securities passbooks into mobile passbooks online, without needing to visit securities firms individually for conversion.

Daniel Chen, President of TDCC, stated that TDCC launched the TDCC ePassbook App in March 2017, which has been well-received by investors. The app's multi-passbook feature enables investors to easily view their asset positions across different securities firms. The app integrates diverse assets and offers shareholder services, making it a powerful tool for asset management. Currently, the number of accounts activated has reached 5.6 million, and 93% of investors who open a new account choose to apply for the mobile passbook service. TDCC has consistently listened to user feedback and suggestions. At present, about two-thirds of investors still use paper passbooks for some of their securities accounts, which means they need to apply for mobile passbook individually with each securities firm. To improve the efficiency and convenience of this process, TDCC has developed the "eFastChannel Platform," allowing investors to apply through a single platform to convert all their paper passbooks into mobile passbooks at once.

After the launch of the "eFastChannel Platform," investors only need a valid digital certificate (such as a Citizen Digital Certificate or a Securities Online Trading Certificate) to log into the platform on their computer or mobile device. They can then view all their securities accounts and convert their paper securities passbooks into mobile passbooks in one place. Once the application is successful, investors can view the changes and holding position for their securities assets at various securities firms through the TDCC ePassbook App, enabling easier and faster asset integration and management.

The launch of the "eFastChannel Platform" will further improve the convenience of digitalization of asset management for investors, while also reducing the production costs of paper passbooks in the market, actively implementing ESG sustainability policies. TDCC hopes that, through this platform, more investors can enjoy a simpler fintech service experience, improve the overall efficiency of the securities market, and continue promoting more digital services. The goal is to provide investors with more convenient and higher-quality financial experiences while continuing to practice the concept of inclusive finance. Investors can convert their paper securities passbooks into mobile passbooks in just two simple steps on the "eFastChannel Platform." For more information, please visit the TDCC ePassbook promotion page:

<https://epassbook.tdcc.com.tw/zh/c1.aspx>.

*Source: [TDCC, 2024/12/23](#)

CSDI Unveils Two New Services at KishINVEX 2024

Central Securities Depository of Iran (CSDI) unveiled two new services: an update of the Integrated Brokers Portal "KARA II" and the electronic transfer of deceased shareholders' assets to their heirs (Miraas) at the 2024 International Exhibition of Exchange, Banking, Insurance, Privatization and Iran's Investment Opportunities – KishINVEX 2024.

The exhibition was held 4-7 November at the International Exhibition Center of Kish Island.

During the launch ceremony at CSDI's pavilion, CEO Mohammad Baghestani presented these services, highlighting their features and advantages to the attendees. These innovations represent a significant advancement in CSDI's commitment to supporting both investors and brokers.

Electronic Transfer of Deceased Shareholders' Assets to Heirs

This service builds upon the "Miraas" system, originally launched a year ago to facilitate the transfer of Justice Shares. Now expanded to cover all types of shares, this fully electronic system simplifies the transfer process, making it more accessible and efficient for heirs.

"Miraas" Features

24/7 • availability, allowing users to submit their transfer requests and documents to CSDI from anywhere via the integrated portal for capital market stakeholders (DDN). Previously, the clients had to visit designated government offices.

- Significant financial cost reduction and time savings for users.
- Real-time tracking of requests by all heirs through the DDN system. Previously, documents were sent to CSDI by courier, with no direct interaction with the company.
- An interactive environment with relevant experts to address problems, such as missing documents, which significantly accelerates the process compared to the previous, time-consuming method.

Enhanced Integrated Brokers Portal; KARA II

This enhanced portal supports brokers in the capital market, providing greater functionality and streamlined operations for brokerage firms. CSDI launched the Integrated Brokers Portal "KARA" in 2016 with the aim of providing services to the brokers. With a surge in the number of trading accounts to over 62 million and the heightened interactions between brokers and CSDI, the need for structural transformation in this system is now instrumental. In 2024, the CSDI, in collaboration with Iran's Securities & Exchange Brokers Association (SEBA), redesigned and developed the KARA system i.e. KARA II.

Key KARA II Features

- Online service availability 24/7

- Authenticating identity of users through CSDI's e-KYC system i.e. the Comprehensive Information Gathering System (CIGS) instead of hardware tokens.
- Ensuring compliance with the latest standards
- Improving efficiency and speed of various operations in the system
- Defining a new user by senior users instead of correspondence with CSDI
- Increasing capacity for various operations per user

KishINVEX

Since its inception in 2014, KishINVEX has been an annual international event that draws industry leaders, analysts, and experts from the financial sector.

The expo features diverse pavilions, engaging panel discussions, and opportunities for knowledge exchange.

Acting as a gateway to Iran's economy, KishINVEX offers participants a unique platform to explore untapped opportunities, network with over 500 Iranian and international companies, and foster trade relations with Iran's financial market.



*Source: CSDI, 2024/11/8

TDCC's eCounter Will Be Launched Next Year, Building a Complete Shareholder Services 4e Ecosystem

In line with the Financial Supervisory Commission (FSC)'s promotion of financial technology and the Ministry of Digital Affairs (MODA)'s efforts to expand the use of electronic signatures, TDCC plans to build the eCounter platform. This platform will enable shareholders of public companies to use digital signatures for online applications, such as opening shareholder account and updating their basic information with the company or transfer agents, without the need for in person visits. The development of the eCounter system will be completed by March 2025, with public companies encouraged to sign agreement for its use, and the system will be officially launched on May 15th.

MODA expressed gratitude to the FSC for its support in promoting the widespread use of electronic signatures. It pointed out that the eCounter platform developed by TDCC not only integrates market consensus but also provides shareholders with a convenient user experience. Furthermore, it is the first electronic platform supervised by the FSC to utilize electronic certificates and digital signature technology following the revision of the Electronic Signatures Act. This undoubtedly serves as a successful model of smart government and digital transformation.

Bing-Huei Lin, Chairman of TDCC, expressed his sincere gratitude to FSC and MODA for their guidance in the planning and development of the eCounter platform. Their support facilitated smooth cooperation between TDCC, Taiwan Stock Affairs Association (TWSAA), Taiwan Securities Association (TSA), and the transfer agents, thereby enhancing the platform's security and functionality. Chairman Lin further pointed out that, following the introduction of eVoting, eMeeting, and eNotice services under the shareholder eServices initiative, the addition of the eCounter platform completes the creation of a full 4e shareholder services ecosystem, offering shareholders a richer digital experience and more diverse application scenarios.

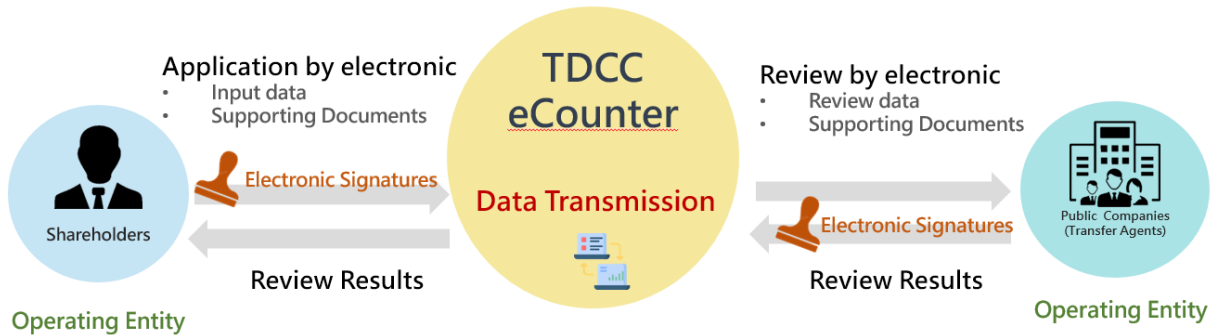
Based on the concept of inclusive finance, the eCounter platform is provided free of charge to shareholders and public companies. The service utilizes digital signature technology that complies with the legal definition of the Electronic Signatures Act, and is planned to initially provide shareholder account opening and basic information update services via a web browser (PC version) in May next year. The mobile version will be launched in subsequent phases. Additional shareholder services will be gradually incorporated into the platform, aiming to fully address the inconveniences shareholders face when handling transactions in person.

Once the eCounter platform is launched, it is expected to eliminate over one million paper forms annually, resulting in an estimated reduction of approximately 8.2 metric tons of carbon emissions each year. As the range of services expands, the carbon reduction benefits will become more significant. This innovative initiative not only reflects TDCC's proactive response to the needs of the

environment, shareholders, and public companies, but also demonstrates its long-term commitment to digitalization and environmental sustainability, aligning with the goal of achieving ESG (Environmental, Social, and Governance) sustainability.

eCounter Platform Architecture

Operating Entities: Counterparties in the Electronic Signatures Act - Shareholders and Public Companies(Transfer Agents)



*Source: [TDCC, 2024/11/20](#)

Pioneering Role of MKK'S E-GEM in Shaping Corporate Governance Practices

Merkezi Kayıt Kuruluşu A.Ş. (MKK), established in 2001, serves as Türkiye's Central Securities Depository (CSD) and Trade Repository, specializing in depository, data, corporate governance, and investor services. Beyond its core CSD functions, MKK has distinguished itself as a pioneer in developing innovative financial technology solutions that enhance market efficiency and transparency. In 2013, MKK became the first capital markets institution in Türkiye to be designated as a Research and Development (R&D) Center by the Ministry of Industry and Technology, a recognition underscoring its capacity for financial technology development. MKK provides a wide range of products and services that improve companies' corporate governance practices.

MKK's Electronic General Meeting System (e-GEM), launched in 2012, is a pioneering solution in Türkiye and among the first of its kind globally, owing to its straight-through processing capabilities. Global corporate governance standards, such as the OECD Principles of Corporate Governance, and regulations like the EU Shareholder Rights Directive, were key references in its design and development, led by MKK's R&D Center.

e-GEM is a user-friendly electronic platform that directly connects shareholders, issuer companies and intermediary institutions for all processes related to both physical and electronic general meetings. It enables companies to hold fully electronic or hybrid general meetings, allowing shareholders to participate remotely or in person. The system features advanced functionalities such as real-time voting, instant access to meeting materials, electronic proxy assignment, and live Q&A. It ensures secure, transparent, and efficient shareholder participation, providing a seamless experience for both on-site and remote attendees.

In 2024, the OECD conducted an on-site examination of e-GEM as a best practice example, recognizing its innovative contributions to Türkiye's corporate governance landscape. Although the report has not yet been published, it highlights that e-GEM, introduced in 2012, enabled hybrid general meetings for all publicly traded companies. It increased local and foreign shareholder participation, eliminated the need for share blocking, and achieved significant cost savings for companies and investors. From its launch in 2012 to December 2024, e-GEM has facilitated 5,591 general meetings for 666 companies, involving 195,463 participants from 71 countries, underscoring its global impact.

With the cooperation protocol signed with the Africlear consortium in 2016-2017, a new step was taken for the use of e-GEM abroad. Within the scope of this protocol, the first pilot implementation of e-GEM abroad was carried out in Kenya and Nigeria. The e-GEM, which won the tender opened by the Indonesian Central Securities Depository (KSEI) in 2017 by being selected as the best application among 8 participating companies.

The Indonesian version, eASY.KSEI, has been developed and customized by MKK's R&D Centre, meets KSEI's requirements for e-proxy and e-voting platforms, adapted to Indonesia's capital market regulations. Since its implementation in 2020, eASY.KSEI has facilitated 6,508 general meetings for 935 listed companies on the Indonesian Stock Exchange. Additionally, MKK has developed and is set to launch a bond-holders' meeting system for Indonesian debt securities.

In Q4 2024, work progressed on the development of e-GEM 2.0. This major upgrade will enhance shareholder rights by introducing a mobile application and integrating physical meeting processes with the electronic platform. The updated system will feature a parameter-driven structure to adapt to regulatory changes and enable general meetings for non-corporate legal entities in compliance with their specific regulations. The project aims to enhance existing processes, introduce new functionalities, automate manual tasks, and provide a streamlined mobile experience for investors.

*Source: MKK, 2024/12/31

CSDI e-KYC System Now Mandatory for Fund Managers and Investors

The Securities and Exchange Organization (SEO), Iran's capital market regulator, has mandated the use of the Central Securities Depository of Iran's (CSDI) e-KYC system for all investment funds, their managers, and investors.

Effective 21 December 2024, investors must register in CSDI's e-KYC, known as the **Comprehensive Information Gathering System (CIGS)**, to electronically apply for the subscription or redemption of fund assets. Fund managers, on the other hand, are required to register in CIGS by **29 October 2024** to initiate the creation or redemption of ETFs.

The SEO emphasizes that registration in CIGS eliminates the need for multiple ID registrations with different service providers. Investors who fail to comply may face restrictions on investment fund activities and other capital market services.

Once registered in CIGS, investors will no longer need to repeatedly submit contact information, identification documents, or bank account details when switching brokers or investment funds. This applies to both natural and legal entities participating in the Iranian capital market.

Developed and launched by CSDI, the CIGS system centralizes the **Know Your Customer (KYC)** process, streamlining investor profiling and enhancing efficiency across the capital market. This regulation aims to simplify the investor experience while ensuring compliance and convenience.



*Source: CSDI, 2024/12/20

CSDI Handles Clearing and Collateral Management for "Electricity Savings Certificate" Trades on IRENEX

Iran Energy Exchange (IRENEX) has introduced a new financial instrument aimed at optimizing electricity consumption in early December 2024, with Central Securities Depository of Iran (CSDI) playing an important role in collateral management and clearing the transactions related to these certificates.

This new financial instrument, known as the "Electricity Savings Certificate (ESC)" is designed to promote energy savings, stimulate related investments, and improve the cash flow of participating companies.

ESCs are tradable instruments that represent verified savings in electricity, gas, or other energy consumption achieved through technology upgrades or modifications. CSDI provides comprehensive pre-trade and post-trade services, including collateral acquisition from issuers, collateral management solutions, and trade clearing for these certificates.

IRENEX has listed two types of electricity savings certificates:

1. Energy Savings Certificates:

Certificates issued to companies that have achieved verified energy savings. These can be used to settle future energy liabilities or sold in the secondary market.

2. Financing Energy Savings Certificates:

Certificates issued to fund energy-saving projects. Companies commit to delivering future energy savings, and certificate holders receive energy or cash at maturity.

These new financial instruments mark a significant milestone in Iran's efforts to enhance energy efficiency and promote sustainable practices in the energy sector.



*Source: CSDI, 2024/12/1