



# Contents

Message By Executive Committee Chairman .....	1
Market Updates .....	2
Member Profile .....	2
Upcoming Global Events .....	3
Recent Events .....	4
Task Force Contribution .....	4
About the ACG .....	5
ACG Members .....	6
Contact Details .....	6

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# MESSAGE BY

## EXECUTIVE COMMITTEE CHAIRMAN

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It gives me immense pleasure to present the first edition of ACG's new newsletter. ACG strives in being at the forefront of the Securities Services Industry for the Asia-Pacific region and in that spirit we have taken this initiative to shed spot light on our market and our member institutions.

The Asia-Pacific CSD group started with very humble beginnings. We operate as an informal association working towards the mutual benefit and prosperity of the member institutions. In the course of our history, we have truly come a long way. ACG started as a member body consisting of only 13 institutions, and now proudly has membership from 33 institutions across the entire Asia-Pacific region. Our annual events, both the Cross Training Seminar and the AGM, have set a footprint at the global level. With each passing year, we have increased participation from institutions representing other parts of the globe as well as other industries. Through these efforts we have been able to strengthen our ties with other regional associations as well as various global bodies.

In the spirit that has guided us until now, we bring to you the first edition of our newsletter. The purpose behind this newsletter is to present ACG and its various domains to the rest of the world. This is the first of many editions to come in the near future and it is my sincere hope that this newsletter can serve as a glimpse of the tremendous efforts being undertaken by the association as well as its members.

I once again congratulate ACG and the secretariat in developing this edition of the newsletter and hope the readers enjoy the insight shared.

A handwritten signature in black ink, appearing to read 'Muhammad Hanif'. The signature is stylized with large, flowing loops and a double underline at the end.

Muhammad Hanif  
Executive Committee Chairman  
Asia-Pacific Central Securities Depository Group

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# MARKET

## UPDATES

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### SHANGHAI-HONG KONG CONNECT

The China Securities Depository and Clearing Corporation Limited (CSDC) is one of the two depositories currently operating in the People's Republic of China. CSDC has proven to be an instrumental player as far as the securities services industry is concerned. Furthermore, CSDC has been a pivotal member of ACG since the very beginning. They have taken a number of initiatives for the capital market that have been quite progressive.

They presented the Unified Account Platform (hereinafter UAP) project and Shanghai-Hong Kong Stock Connect. Through the UAP initiative, there will be integration of the accounts held by each investor and the accounts will be consolidated into a composite account. The composite account will comprise of a plurality of sub-accounts linked to a general account associated with an individual or an institutional investor, wherein each sub-accounts is directed to a particular exchange house or trading purpose. Investors will get an overall picture of their security assets and make intra-transfers instantly at brokerages or over any of the CSDC counters.

Shanghai-Hong Kong Stock Connect is a mutual market access programme that will allow investors in Hong Kong and Mainland China to trade and settle shares listed on the other market via the exchange and clearing house in their local markets. Clearing and settlement will take place in the local market where investors are based and only the netting of the buy and sell orders in one market will be cleared and settled between the two clearing houses (CSDC and HKSCC) at the end of each trading day.

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# MEMBER

## PROFILE

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An Overview Of Bursa Malaysia Securities Clearing Sdn. Bhd. & Bursa Malaysia Depository Sdn. Bhd.



### BURSA CLEARING

Bursa Clearing's role as the Central Counterparty ("CCP") is to provide clearing and settlement functions for equities trades that are executed On-Market ("OMT") and Off-Market commonly known as Direct Business Transaction ("DBT") in Malaysia. As part of the clearing and settlement process, Bursa Clearing also monitors failed contract where the seller fails to deliver securities to the Clearing House on settlement day.

Bursa Clearing launched the STP initiative recently which was the Non Trade Matching Services ("NTMS"). This initiative facilitates the matching of non-trade related instructions during an Initial Public Offering ("IPO") book building exercise involving book runners and the custodian banks that resulted in a more efficient and effective method for movement of securities and funds for the book builders and custodian banks involved in the primary market.

### BURSA DEPOSITORY

As a central depository for Malaysian securities market, Bursa Depository the operator for the Central Depository System ("CDS") since its inception in 1993 has played a major role in providing custody service for all securities traded on Bursa Malaysia Securities Berhad. Besides being the sole custodian of all securities, Bursa Depository also handles selected corporate exercises declared by public listed companies ("PLCs") such as bonus issue, rights issue, dividend payment as well as other form of cash distribution.

Currently 99.99% of PLCs' securities listed on Bursa Malaysia Securities Berhad are immobilized and kept by Bursa Malaysia Depository Nominees Sdn. Bhd., a wholly owned subsidiary of Bursa Depository as bare trustee with the depository account holders of Bursa Depository as the beneficial owners.

Over the years, Bursa Depository has implemented numerous initiatives with the objective to promote efficiency in the marketplace. To facilitate straight through processing between Bursa Depository and its stakeholders such as ADAs, ADMs, share registrars, the eRapid initiative was introduced. eRapid enables transmission of information and/or request electronically between Bursa Depository and its stakeholders.

To promote an eco-friendly marketplace, Bursa Depository launched electronic statement ("eStatement"). eStatement provides option to depository account holders to receive statements, notices and other form of communication from Bursa Depository electronically in an efficient, timely and secured manner via email compared to normal postal delivery.



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## UPCOMING

### GLOBAL EVENTS

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**10<sup>TH</sup>**  
**CLEARING, SETTLEMENT &  
CUSTODY ASIA FORUM**  
8 – 11 March 2016 | Singapore

The 10th Clearing, Settlement & Custody (CSC) Asia will be held from 8th - 11th March 2016 at PARKROYAL On Beach Road, Singapore.

The details of the program can be found at:  
<http://www.clearingcustodyasia.com/>

IBC's 10th Clearing, Settlement & Custody Asia is the region's leading and longest running must attend event for post trade industry professionals. This event will continue to provide a platform for greater networking opportunities and gain first-hand insights from Asia's CSDs and regional experts.

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# RECENT

## EVENTS

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### **17TH ACG CROSS-TRAINING SEMINAR**

The 17th ACG Cross Training Seminar was hosted by CDS Sri Lanka and held in Colombo. The event was attended by several participants from around the globe representing a number of industries including the securities services industry in particular.

The event was a three day long seminar from 12-14th May, 2015. It included enlightening and insightful presentations and discussions after which the event was concluded with a beautiful tour of Sri Lanka's natural landmarks.

### **WFC 2015 CONFERENCE**

Mexico's central securities depository S. D. Indeval was selected as the host for WFC 2015 as the hosting honors were assigned to ACSDA. The event took place in Cancun from May 19 to 22 with attendees from more than 80 countries totalling 230 participants representing all sectors of the post-trade market infrastructure industry, including not only CSDs, but clearing houses, regulators, central banks, leading service providers, global banks and custodians.

### **SIBOS 2015**

Sibos (Swift International Banking Operations Seminar) for 2015 was held in Singapore in October, 2015. Sibos is one of the premier financial services event and it is attended by some of the biggest players of the financial industry.

### **NEMA ASIA**

The 6th Annual NeMa Asia 2015 – Asia's Leading Network Management Event was held in November 2015 in Shanghai. NeMa is one of the most well recognized forums in the industry. The event congregates professionals from a variety of backgrounds and regions together at a networking event. The event entails detailed presentations and speeches where attendees are enlightened with respect to the changes in the particular industry.

### **GLOBAL CUSTODY FORUM 2015**

The 26th Annual Global Custody Forum 2015 was held from 3rd November – 4th December 2015 in London.

The Global Custody Forum is a European networking event aimed at the custody industry. It brings together delegates from all across Europe for a friendly and essential networking gathering – while getting to grips with all changes in the industry.

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# TASK FORCE

## CONTRIBUTION

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ACG proudly boasts of five different task forces that works within the association with regards to their respective domain. Each of those five task forces have been assigned a convener who are also members of the ACG Executive committee. The five task forces along with the convener are:

- i. Risk and Recovery Management Task Force (CDCPL)
- ii. Exchange of Information Task Force (JASDEC)
- iii. Technical Task Force (NSDL)
- iv. Legal Task Force (CSDC)
- v. New Business Initiatives Task Force (KSD)

In this edition, we will focus on the developments being made by our New Business Initiative task force.

### **New Business Initiatives (NBI) Task Force & Initiation of Asian Fund Standardization Forum (AFSF)**

The New Business Task Force has established a focus group which will aim to deliberate on the standardization of Asian Fund markets with an emphasis on improving efficiency in cross-border transactions through standardization. The long-term goal of AFSF is to develop the operational infrastructure to attain fund market integration for the Asian region. With this aim serving as the backdrop, AFSF will report on Asian fund market issues and deliberate on operational frameworks for market integration. The inauguration of AFSF will take place at the 19th AGM.





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# ABOUT

## THE ACG

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The Asia-Pacific Central Securities Depository Group (ACG) was formed in November 1997 as an informal international organization with the objective to facilitate the exchange of information and to promote mutual assistance among member securities depositories and clearing organizations in the Asia Pacific region.

The ACG has an executive committee which is composed of 8 members, namely the Task force convener of all the five task forces with China Central Depository & Clearing Company, Central Depository Services (India) Limited and Singapore Exchange as the elected members.

For further information, please visit [www.acgcsd.org](http://www.acgcsd.org)

### ACG TIMELINE

- Nov 1997** - ACG was formed and the 1st General Meeting was held in Hong Kong, attended by 14 CSDs and clearing organizations in Australia, China, Hong Kong, India, Indonesia, Japan, Korea, Malaysia, New Zealand, Philippines, Singapore Taiwan and Thailand.(Since then, the General Meeting has been held once a year.)
  - Four Task Forces were established.(Best Practices, Settlement Risk Management, Exchange of Information and Cross-Border Linkage)
- Nov 1998** - Central Depository Company of Pakistan Limited joined.
  - Central Depository Systems (Pvt.) Limited, Sri Lanka, joined.
- May 1999** - Technical Task Force was established.
  - The 1st Cross-Training Seminar was held in Taipei, Taiwan.(Since then, the Cross-Training Seminar has been held once a year.)
- Feb 2000** - Central Depository Bangladesh Limited joined.
  - Central Depository Services (India) Limited, India, joined.
  - National Securities Clearing Corporation, India, joined.
- Mar 2001** - Hong Kong Monetary Authority joined.
- Mar 2005** - ACG Website went online.
- Nov 2006** - China Government Securities Depository Trust & Clearing Co., Ltd. joined.
  - Maldives Securities Depository (Pvt.) Limited joined.
  - National Clearing Company of Pakistan Limited joined.
- Dec 2006** - ACG Website was upgraded.
- Sep 2007** - Vietnam Securities Depository joined.
- Oct 2008** - Legal Task Force was established.
- Dec 2010** - ACG New structure became effective and the Executive Committee was established.
  - Mr. Yoshinobu Takeuchi of JASDEC was elected as the ACG Executive Committee Chairman.
- Apr 2011** - ACG joined World Forum of CSDs (WFC).
- Aug 2012** - ACG Website was upgraded for the second time and the member matching service was launched.
- Sep 2012** - Central Securities Depository of Iran (CSDI) joined.
  - CDS and Clearing Limited (CDSC), Nepal, joined.
- Oct 2013** - Existing 4 Task Forces were dissolved and re-established for the next three years.
  - Risk and Recovery Management Task Force was established.
  - New Executive Committee members were elected for the next three years.
  - Mr. Muhammad Hanif Jakhura of CDC Pakistan was elected as the ACG Executive Committee Chairman.
  - Mr. Yoshinobu Takeuchi was appointed as the Honorary Chairman of ACG Executive Committee.
- Jun 2014** - The "Research & Report" and "Meeting Materials & Minutes" sections of ACG website were updated and the "Member Profile" was launched.
- Oct 2014** - Indian Clearing Corporation Limited. (ICCL) joined.
- Apr 2015** - Shanghai Clearing House (SHCH) joined.

