

## 2020Q2 Online Bulletin

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## **Bursa Malaysia Launches New Feature on Its Bursa Anywhere Mobile App**

Bursa Malaysia Berhad (“Bursa Malaysia” or the “Exchange”) has accelerated the release of a new feature on its Bursa Anywhere mobile application (“APP”) to help Central Depository Services (“CDS”) account holders to manage their accounts remotely in light of the ongoing COVID-19 outbreak.

The new feature allows CDS account holders to reactivate dormant and inactive CDS accounts online without needing to physically visit their brokers. Additionally, all reactivation fees normally charged to reactivate dormant CDS accounts are waived for reactivations carried out via the APP, effective from 10 April to 10 July 2020. Currently, there are no charges for reactivating inactive CDS accounts.

The APP is a one-stop platform that allows individual investors access to their CDS accounts via their smart devices. The features offered by the APP include:

- Transfer of shares between an investor’s CDS Accounts via FPX
- Consolidated view of an investors’ CDS accounts (if they have multiple accounts)
- Marked-to-Market Portfolio Value (for securities)
- Self-service updating of CDS information
- Alerts on corporate announcements for an investor’s portfolio
- Access to e-statements with a 12-month archive.

Datuk Muhamad Umar Swift, Chief Executive Officer of Bursa Malaysia said, “The Exchange is committed to take all necessary steps to minimise the impact of the adverse events caused by the Covid-19 outbreak as well as ensuring the safety and well-being of our investors. As such, we have decided to accelerate the launch of the new feature to give our investors greater access and convenience during this trying time. It is in our interest to ensure our services remain available and accessible to our investors at all times with minimal or no disruption, keeping in mind their health and safety. With our new feature, CDS account holders need not physically visit their brokers to reactive their CDS accounts but instead can now perform their transactions online through the APP from the comfort of their homes”.

“We will continue to enhance our digital touchpoints to provide solutions that can further connect and help create an impact in our marketplace” concluded Datuk Umar.

Bursa Anywhere was launched in June 2019. Since then, it has garnered over 40,000 downloads. CDS account holders can download the APP from the Apple Store and Google Play Store to manage all things to their CDS accounts.

\*Source : [Bursa Malaysia, 2020/04/10](#)

## **Bursa Anywhere Release New Features to Allow Remote CDS Account Openings and E-Dividend Subscriptions**

Bursa Malaysia Berhad (“Bursa Malaysia” or the “Exchange”) today has rolled out a new set of features on its mobile app Bursa Anywhere. The new additional features will enable investors to apply online for new Central Depository Services (“CDS”) accounts and register for e-Dividends via the app.

With over 60,000 downloads, Bursa Anywhere makes it easy for investors to manage their CDS accounts remotely from their smart devices. The latest release follows the earlier update in April which allowed CDS account holders to reactivate dormant and inactive CDS accounts online without the need to physically visit their brokers.

Datuk Muhamad Umar Swift, Chief Executive Officer of Bursa Malaysia said, “Given the new norms, investors will be relying on remote methods for added safety and convenience. The Bursa Anywhere new features significantly simplify investors’ investment experience, with new technology used to enhance their investing journey further. For example, users with multiple CDS accounts can easily access all account information through one app. With features such as Share Transfers, investors can also conveniently transfer shares without having to fill up forms or the need to leave their homes.”

The new updates released today means that Bursa Anywhere offers new and existing investors the convenience of applying for new CDS accounts remotely. The e-Dividend subscription feature allows users to receive cash dividend entitlements via e-payments instead of cheques. Previously, investors were required to submit forms and other supporting documents through their brokers. Now, all applications and submissions of documents can be performed via Bursa Anywhere. In addition, for both new releases, all registration fees will also be waived for one month starting today.

Retail investors in our equity market have witnessed substantial growth in the last few months. Comparing year-to-date May 2020 with the same period last year, the total retail registered an increase of 30% in new accounts opened while trading activity among retailers registered an 82% increase in average daily value. The retailers were also net buyers at RM5.1 billion, a 607% increase compared to the same period last year. We believe retail investor outreach initiatives by the Exchange and broker partners have helped strengthen investor confidence and prompting them to actively participate in the equity market. While increased participation of retail investors is a significant development, equally noteworthy is the evolving mindset of the digitally-savvy retail investors. Our team will continue to enhance our digital touchpoints to

provide better features and functionality that will meet the demands of these modern investors.

Bursa Anywhere was launched in June 2019 and has received positive feedback. The app is available for download in the Apple Store and Google Play Store.

\*Source: [Bursa Malaysia, 2020/06/22](#)

## **Newsletter of CDSL's AGM Webcast and e-Voting Services**

### **■ Webcast of Annual General Meeting of Companies**

SEBI, vide its press release dated March 28, 2018 has informed about its Board's decision that Webcast of Annual General Meeting (AGM) will be mandatory for top 100 listed companies by market capitalization w.e.f. FY 2018-19. We are pleased to inform that CDSL has introduced the live webcast facility which would enable shareholders gain access to the live proceedings at the AGM of companies through their secure e-Voting login credentials. This facility will facilitate wider participation of shareholders from different localities who are unable to travel to the AGM venue. Shareholders will be able to gain an insight about the company's future and also post queries to the management.

### **■ Successful Facilitation of E-Voting**

CDSL's e-Voting System enables investors to cast their votes pertaining to company resolutions through the internet till the closure of an e-Voting event. At present, more than 4600 companies have signed agreements with CDSL for its e-Voting facility, of which over 4500 companies have used CDSL's e-Voting platform, to conduct electronic voting for AGMs and Postal ballot resolutions for over 24,500 occasions. CDSL also provides its e-Voting system at the venue of meeting. This has enabled shareholders to cast their vote electronically and also helped the Scrutinizer in getting a consolidated voting report.

\*Source: [CDSL Infoline, May 2020](#)

## **KSEI Launches e-Proxy: A Platform to Electronically Authorize Representatives for General Meetings of Shareholders**

The Indonesia Central Securities Depository (KSEI) has accelerated the implementation of its electronic proxy (e-Proxy) platform, eASY.KSEI, to support the Government's Covid-19 Pandemic Large Scale Social Distancing policy. The Platform, which was launched on April 20, 2020, provides a system for Shareholders to electronically authorize representatives to attend General Meetings of Shareholders (GMS). The eASY.KSEI platform itself was first used by an Issuer on May 14, 2020, as an electronic alternative method for Shareholders' to authorize representatives to attend General Meetings of Shareholders on their behalf. As of today (5/18), the eASY.KSEI platform has been successfully utilized by 13 Issuers in 13 General Meetings of Shareholders and 14 Extraordinary General Meeting of Shareholders.

As a show of support for eASY.KSEI's implementation, the Financial Services Authority (OJK) has issued the Financial Services Authority Regulation (POJK) Number 15/POJK.04/2020 on Planning and Holding of General Meeting of Shareholders by Public Limited Liability Companies and POJK Number 16/POJK.04/2020 on the Holding of Electronic General Meeting of Shareholders by Public Limited Liability Companies. Through OJK Board of Commissioners' Decree Number KEP-26/D.04/2020 on Electronic General Meeting of Shareholders (e-GMS) System Implementation, the OJK has also declared that KSEI, as an OJK appointed Depository and Settlement Institution, will be one of the providers of the e-GMS System.

With this Platform, Shareholders can authorize several parties to represent them during General Meetings of Shareholders. These parties can include: independent authorized agents such as Registrars or other parties provided by Issuers; authorized Participants such as Securities Companies or Custodian Banks which administrate the Shareholders' Securities Account; or individual authorized agents or parties personally appointed by the Shareholder.

The eASY.KSEI platform can be accessed by Shareholders and Individual Representatives by logging in to the KSEI AKSes website (<https://akses.ksei.co.id>). By logging into KSEI's AKSes website, Shareholders can also access eASY.KSEI from the available menu, without any need to re-login to eASY.KSEI. Currently, the eASY.KSEI feature is specifically targeted for domestic individual investors.

Other eASY.KSEI users include Issuers, Registrars, Securities Companies, and Custodian Banks. These users utilize eASY.KSEI to interact with each other within a single integrated platform for GMS activities such as Meeting announcements and invitations by Issuers; granting of authority directly by Shareholders or through

Securities Companies and Custodian Banks; pre-GMS registration by Issuers with the help of Registrars; vote counting; and reporting of GMS minutes to be uploaded by the Issuer.

KSEI conducted various activities to prepare for this implementation, including a final testing to ensure that all eASY.KSEI functions are running well; providing familiarization on the platform's usage to the staff of Issuers, Registrars, Securities Companies, and Custodian Banks; finalizing the addendum to agreements between KSEI and Issuers; and distributing User IDs and passwords for eASY.KSEI users.

KSEI President Director Uriep Budhi Prasetyo stated "KSEI hopes that the implementation of eASY.KSEI can increase participation in General Meetings of Shareholders, especially since Indonesia is an archipelagic country where investors' domiciles are spread across several regions, both domestic and abroad. Based on our data, as of May 11, 2020, around 50% of investors own Shares from more than one company. This opens the possibility of investors being required to attend different General Meetings of Shareholders in different locations at the same time. Especially with more than 600 Issuers registered at the Stock Exchange."

Uriep added that, as of May 12, 2020, KSEI's data showed that there are 1,185,733 Shareholder Investors in Indonesia and the number will continue to grow in the future. The implementation of eASY.KSEI is a realization of KSEI's support towards the development of Indonesia's Capital Market, especially with the increased need for digital platforms and video conferencing due to Work From Home policies and Indonesia's Large Scale Social Distancing (PSBB) in response to the Covid-19 emergency. Uriep expressed his wish that eASY.KSEI's implementation can become a solution for investors who are required to attend several General Meetings of Shareholders at the same time. He also hoped that eASY.KSEI would make it easier for investors to participate in the Meetings.

In its development of the eASY.KSEI platform, KSEI has collaborated with Turkey's central custodian institution, the Merkezi Kayit Kurulusu (MKK). This cooperation started in 2017 with the signing of a Memorandum of Understanding (MoU) between the two parties. MKK's CEO and Board Member, Ekrem Arıkan, stated "As one of the systems that have been developed at the MKK's Research and Development Center, the Electronic General Meeting System (e-GEM) has been utilized in the Turkey Capital Market since 2012. This system has been used in more than 3,000 electronic meetings, which were participated by more than 130,000 Shareholders, in Turkey. The e-GEM has also been used as pilot projects in several countries and is among one of the most advanced applications in the world. Due to the hard work and dedication of MKK and

KSEI's teams, I am happy to see that the eASY.KSEI has been officially launched for the Indonesian Capital Market.”

The eASY.KSEI provides various features to support the holding of General Meetings of Shareholders and we hope that this system can greatly contribute to the development of good corporate governance in Indonesia. Through this initiative, KSEI has also realized MKK's efforts to position its country as a provider of attractive investment environment and to boost crossborder investment opportunities.

Technically, the eASY.KSEI platform is used in 4 (four) phases: GMS Announcement, GMS Invitation, GMS Holding, and GMS Reporting. During the GMS Announcement phase, Issuers can input data on the event, GMS agenda information, and other supporting documents. During the date of announcement, Issuers can send the announcement automatically via email to a GMS Information Recipient Register list prepared by the Issuer and KSEI. Issuers can also appoint parties that will be granted authorization as an independent representative.

In the GMS Invitation phase, Issuers can send invitations through the platform and are required to upload the meeting's agenda in 2 (two) languages: Bahasa Indonesia and English. An automatic email can be resent to the Shareholders in the Shareholder Register whose emails are included in the GMS Information Recipient Register.

During this invitation phase, Shareholders can grant authority and the use of their vote to other parties such as: individual representatives who are required to log into KSEI's AKSes website, Securities Companies and Custodian Banks as KSEI Participants, or to independent representatives appointed by the Issuer. Granting of authority to KSEI participants can be done through the platform or through direct notification to the KSEI participants, outside of the platform. The granting of authorities will be updated by KSEI participants through the eASY.KSEI platform. If the authorized KSEI participant is unable to attend, then the KSEI participant can grant a substitute authorization to an independent representative through the platform.

Registration for physical attendance in a GMS can also be done through eASY.KSEI prior to the Meeting. Based on this attendance data, Issuers, with the help of Registrars, can determine the quorum count for the GMS's attendance. During the GMS, Issuers can also update all of the Meeting's activities through eASY.KSEI for OJK monitoring. Voting on the Meeting's agendas can also be done through eASY.KSEI.

The current e-Proxy implementation is just an initial phase in the eASY.KSEI's overall development. For the next phases, KSEI will also include an e-Voting facility with live-streaming capabilities. This will allow Shareholders to directly interact and vote



electronically. Hopefully in the future, the e-Voting facility will be integrated in the holding of e-GMSs, in compliance with existing POJK regulations.

\*Source: [KSEI, 2020/05/14](#)

## **TDCC: The Battle Against the Pandemic Won International Acclaim through E-Voting**

From May to June each year, annual general meetings, which draw a lot of market attention, are held one after another. Both domestic and international investors intend to express support for and opinions on corporate performance at shareholder meetings. However, Covid-19 has been raging around the world; while the spread of the pandemic is relatively under control domestically, investors who plan to attend shareholder meetings can't help but feel apprehensive about indoor gatherings. The Financial Supervisory Commission has been encouraging that investors replace physical attendance with E-voting; according to statistics from TDCC, from April, at most shareholder meetings, the number of shareholders attending in person is only about 20, demonstrating a growing awareness of disease prevention among citizens.

As Chu Han-Chiang, TDCC President points out, from the statistics of the Taiwan Stock Exchange Corporation, the percentage of foreign investors holding Taiwanese stocks has exceeded 40%. Following the guideline of "internationalization," TDCC continues to expand shareholder meeting services for foreign investors. Since 2014, the company has been collaborating with the first and second most dominant international E-voting organizations, Broadridge (BR) and Institutional Shareholder Services (ISS), providing foreign investors with Straight Through Process Service (STP). In 2019, the percentage of foreign investors exercising E-voting rights through STP reached a massive 92%, showing STP Service has effectively facilitated the voting process and made it highly convenient and efficient for foreign investors.

While the above mentioned STP Service and proxy voting through custodian banks allow a majority of foreign investors to conduct E-voting, a small number of foreign nationals or corporate shareholders cannot be identified due to the lack of proxy voting conducted by commissioned custodian institutes, citizen digital certificate, or online order placement certificate. Previously, they could only turn to proxy attendance or physical attendance to exercise voting rights; as the pandemic spreads, from April 2020, TDCC has offered an alternative that foreign shareholders without certificates can apply to issuers for a CN code as the identification to log in. Besides, an English voting webpage has been offered, allowing foreign investors to attend shareholder meetings effortlessly through E-voting no matter where they are in the world. This can not only protect shareholder's rights but also contribute to the effort for disease prevention.

According to Julie Wang, TDCC Senior Vice President, the bilingual interface of the E-voting platform, constructed in both English and Chinese, offers domestic and international shareholders an efficient channel for exercising their rights; besides, it

shows Taiwan capital market's objectives of linking up with the world and pursuing corporate governance. The CN code service for foreign investors' E-voting has attracted applications from major international shareholders of 37 TWSE-listed companies, TPEX-listed companies, and emerging stock companies since the inception in April. Especially to major shareholders of companies registering for listing at TWSE and TPEX, the attendance through E-voting can eliminate risks of infection due to overseas traveling and can help express their own opinions on motions at shareholder meetings. Indeed, E-voting is the one stroke that serves many purposes.

\*Source: [TDCC, 2020/06/03](#)

## **TDCC Launches World's First Integrated ESG Dashboard to Boost Sustainable Transformations in Taiwan**

To facilitate communication between institutional investors and issuing companies is listed as one of the action plans of the 2018-2020 New Corporate Governance Roadmap announced by the Financial Supervisory Commission (FSC). Recently, Taiwan Depository & Clearing Corporation (TDCC) has released the very first integrated ESG (environmental, social, and governance) Dashboard in the world in an effort to encourage institutional investors and issuing companies in Taiwan to place importance on ESG issues. The newly launched platform is expected to be the driver of sustainable transformations and the promoter of international standards for the Taiwanese market.

TDCC President Chu Han-Chiang announced that with coordination and effort, TDCC has partnered with Sustainalytics, FTSE Russell, and ISS, the world's leading providers of comprehensive ESG research and ratings, this year. The omni-aspect ESG Information System, the first of its kind around the globe and the first all-inclusive ESG information platform initiated by a central securities depository (CSD), is the fruit of such collaboration. At its preliminary stage, the system will offer ESG data for the TWSE-listed and TPEX-listed companies in Taiwan. More ESG-related services will gradually be put online for more users in the future. The system will keep fulfilling corporate social responsibility (CSR) by upholding sustainability values and adopting responsible investment (RI) solutions.

According to Mr. Chu, ESG indicators have weighed heavily with international investors these years. However, each ESG rating agency has their own yardsticks of analytics. The discrepancy in criteria has also been a hotly discussed issue for investors in the international community. The TDCC ESG Dashboard provides one-stop access to various providers of ESG indexes for TWSE-listed and TPEX-listed companies. The data and analytics are presented in a more neutral and concrete way to help enterprises enhance their ESG performance and align themselves with international benchmarks.

TDCC Senior Vice President Julie Wang said that the ESG Information System with well-rounded data has been introduced in mid-June. TWSE-listed and TPEX-listed companies can now make use of the system by registering on the TDCC Investor Relations Platform (TDCC IR Platform). TDCC is also encouraging domestic institutional investors to embrace RI solutions and raising individual investors' ESG awareness. Starting from Q3 this year, domestic institutional investors will gain entry into customized services that provide investment portfolio data screening and analytics

pertaining to their companies' investment strategies, and individual investors will gain entry into ESG disclosures of TWSE-listed and TPEX-listed companies.

In 2019, TDCC joined the ESG realm and only provided statistics from one single ESG rating team. The strategy is now beginning to bear fruit in 2020. TDCC envisions a closer connection with the international community to work on RI issues and hopes to project a compelling international image to the world.

\*Source: [TDCC, 2020/06/29](#)

## **Record Number of Customers Sign Up for CSDI's E-KYC System CIGS**

Statistics show record number of participants sign up for CSDI's novel e-KYC system aka Comprehensive Information Gathering System (CIGS). Reports show that the number of people registering into CIGS has reached a record figure some 18 times higher than the reported number this time last year.

During the first 25 days into the new Persian New Year which falls on March 21, 2020, some 651,959 registered into the CIGS system and hence the total number passed four million and 300 thousand.

On the 25th day alone, CSDI reported 100 thousand and 339 registers; a number which surpassed the record number of registers on one day alone.

Central Securities Depository of Iran has announced that the Comprehensive Information Gathering System or CIGS is a gateway into the Iranian capital market and welcomes new shareholders into the system. The CSDI said the employees are working at their full power to receive and evaluate the information entered by the registrars and issue trading codes.

This rapid increase in numbers come on the back of Iran's capital market witnessing a historical record in growth of TEDPIX and impressive primary market in the country's stock market at the beginning of the new Persian New Year.

The benchmark Tehran Stock Exchange index managed to break above its all-time highs just before the Iranian fiscal year ended March 19. The annual total return reached a whopping 187%, registering the highest annual growth in the exchange's existence.

The totally indigenous electronic system, CIGS is a sophisticated infrastructure which provides a wealth of value-added services to shareholders and – on a broader perspective - to the whole capital market.

Each of the components the newly-launched KYC-based system offers has the potential to make a significant impact alone or as part of a broader plan such as:

- Increased cost efficiencies
- Tangible operational efficiencies
- Accelerated onboarding
- Improved client experience

- Enhanced regulatory compliance

Based on a joint plan, two well-reputed Iran's commercial banks i.e. Parsian and Shahr banks started using the novel paperless Know Your Customer (KYC) system, domestically designed and run by CSDI named the Comprehensive Information Gathering System (CIGS) to identify and authenticate their customers, wherein a variety of information concerning identity, contact, bank account, and suchlike of the users are electronically verified.

Although CSDI's Comprehensive Information Gathering System (CIGS) may appear as an example of conventional KYC program, its unique features that have overcome the deficiencies in its counterparts worldwide make it as outstanding as it is. CIGS has even adopted e-signatures to fully convert paper-driven processes into digitized ones in a bid to leave no stone unturned.

CIGS has started out with its anti-money laundering (AML) goal as primarily understandable and clearly needed.

Since CIGS, is portable, global, user-owned, standard and supported by digital technologies (e.g. via blockchain), it will continue to be a fundamental ground for distributing the dividends to investors, registration of investment funds on a national basis and a way forward toward electronic general meeting (e-GEM) management systems.

\*Source: CSDI, 2020/05/03

## **Online Identity Verification with CSDI's E-KYC CIGS**

The ability to verify a user's identity online without the need for in-person Identity verification speeds up customer acquisition, reduces customer abandonment, and drives growth.

Digital customer acquisition and onboarding is becoming increasingly important to financial institutions in response to changing consumer preferences.

Historically, digital onboarding presented a two-fold challenge; achieving adequate risk and compliance objectives while ensuring a low-friction customer experience. This was particularly difficult for the mobile use case because of the small screen size and difficulty associated with manual data entry. Recent hardware and software advancements, however, have turned what was once a mobile liability into a strength.

In this report, CSDI offers its considerations for applying an appropriate digital identity verification platform.

Created by Central Securities Depository of Iran, the e-KYC Comprehensive Information Gathering System (CIGS), strives to change the way authentication takes place, making it more secure and convenient online rather than in-person.

In order to improve the situation and make online identity authentication more secure, the CSDI has created a series of interoperable technical standards that facilitate the creation of secure and fast identity verification experiences in collaboration with an Iranian application named "Signal".

How does it work?

When users register on the Comprehensive Information Gathering System or CIGS, they are then required to have their identities verified.

They have two options; they are either prompted to verify their identities in-person. Here they have to refer to select branches of banks including Parsian, Shahr, Saderat, Sepah, Keshavarzi banks and Melal Credit Institution, brokerage firms or government electronic service offices.

For those applicants who choose to have their identities verified in-person, the CSDI has provided a special service in collaboration with Iranian designed and made traffic



app to help them find the closest brokerage firm, get driving directions and a live traffic map.

The second group decides to choose online verification method. In order to authenticate a user's identity this way, the customer's device must be connected to the internet to perform the verification. In fact, the customer should first download and install an app namely Signal, or refer to the official websites of "Mehra Iran Bank", "Sahm Ashena" and "Karamad" brokerage firm.

At the beginning, as one of the options, they can see two sections related to CIGS. One of them is used as an FAQ page. The other is used for registering on the system and specifically available for online identity verification of those customers who have already registered onto the system.

The customer selects the second the option and primarily registers on the CIGS. If they have already registered, then they directly go to have their identities verified. Now they are required to enter their national ID number together with their tracking code plus a security code.

Then they are required to pay for the service.

In the next step, the applicant is required to enter the number on the back of the national ID card.

Now the customers are required to take an appropriate selfie in which their faces are quite clear, visible and identifiable.

In the next step, the applicant is required to read a sentence provided by the system and record a video in 25 seconds.

Now the customer is required to review the information given to the system and submit the information.

In the end, the customers are informed that the information will be verified and that they will notified of the result later via an SMS.

If the result of the verification is a success, an SMS will be sent to the applicant that the related trading code will be sent to them in a week. If the verification fails, the customer will also be informed and they have to repeat the procedures or have their identities verified in person via banks, brokerage firms or government electronic services offices.

\*Source: CSDI, 2020/06/16