

2020Q3 Online Bulletin

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NSDL's Latest Developments in Stamp Duty Service, SPEEDe and AGM Service

1. Development regarding collection of stamp duty in financial market transactions

India is a federal democratic republic, with a government at the center and state government for each state. The payment of stamp duty is a subject matter of state government. Each state government collects stamp duty on a variety of documents including on securities such as shares, bonds units, etc. Investors are required to pay the stamp duty on various transactions in securities to various state governments which involved a differential rate of stamp duty and a cumbersome process involved in payment of stamp duty.

In a new system introduced by the Government of India by making changes in law, the responsibility of collection of stamp duty was cast on the Depositories and stock exchanges. As a depository, NSDL provides this value added service of collection of stamp duty of issuance and transfer of securities from the issuers and the investors and makes payment of the same to the respective state governments.

With this new initiative, it has become easy and simple for investors to make payment of stamp duty. NSDL provides a facility by which either the investor can directly make payment of stamp duty to NSDL or can make the payment to the Depository Participant who will make payment to NSDL. The collection of stamp duty is tightly integrated with the transaction platform in such a manner that the transaction is processed only after the applicable stamp duty for the transaction is remitted to NSDL. A simple calculator is also provided by NSDL on its website so that the exact amount of stamp duty can be calculated in advance.

2. Simplification of SPEEDe Registration

SPEEDe is an existing service provided by NSDL in order to enable demat account holders (including Clearing Members) to submit instructions directly on the Internet through SPEED-e website <https://eservices.nsdl.com>. The NSDL demat account holders can easily access the SPEEDe website from anywhere in the world at any point of time, submit the instructions and track its status.

A NSDL demat account holder has the option to either opt for password based access or smart card based access to SPEEDe website. In case if the NSDL demat account holder opts for smart card based access to SPEEDe, the client can also freeze his/her account, freeze securities held in the account or freeze specific quantity of specific securities through SPEEDe, which cannot be unfrozen by a Participant as well.

Earlier, the NSDL demat account holders were required to submit the physical SPEEDe

registration application to its Participant. Due to the restriction in movement of people as a result of Covid -19, NSDL has eased the SPEEDe registration process for Password based users and made the same completely online.

3. Investors can now attend General Meetings of Companies through audio-video facility provided by NSDL

In India, the Government has now permitted Companies to conduct the General Meetings electronically using video conferencing or through other audio-visual means. NSDL has worked to facilitate Corporate India to conduct the General Meetings through Virtual Conferencing (VC) / Other Audio Visual Means (OAVM). There are various customisations in this service which NSDL provides for holding such meetings.

This service enables Companies shareholders to attend the general meeting proceedings online. Use of such VC/OVAM allows shareholders from remotest of locations to attend general meetings and pose questions to the Company Management. Shareholders who are entitled to participate in the general meeting can view the general meeting proceedings by using their secure login credentials on the e-Voting website of NSDL and can register themselves in advance to post their queries & suggestions to the Companies. The shareholders can also vote on various resolutions through the secured login provided by NSDL. This will facilitate wider participation of shareholders at the general meetings of companies.

*Source: National Securities Depository Limited (NSDL)

SET rolls out 3 new digital services to facilitate investing in the New Normal era

Digital Access Platform Company Limited (DAP), under The Stock Exchange of Thailand (SET) Group, has launched three new digital services in a move to integrate the Thai capital market ecosystem and respond to the new normal way of investment amid dynamic environment: (1) "NDID Proxy", a proxy service connected to the National Digital Identification (NDID) system, going live on July 21, 2020 with a group of 19 pilot securities firms, asset management firms and life insurance firms. (2) "Citizen ID card verification with Thailand's Department of Provincial Administration" service and (3) "Electronic Stamp Duty" service with the Revenue Department of Thailand. All these services are available on the digital platform to all business sectors aiming to not only simplify procedures and enhance efficiency for businesses but also widening investment opportunities for the public.

SET President Pakorn Peetathawatchai said DAP, a company under SET Group, with its main mission to develop the capital market infrastructure as a public utility, offers infrastructures that facilitate end-to-end digital investment journey in the capital market through its services known as "Digital Gateway". The first of these new services is the NDID Proxy pilot project, launched on July 21, 2020 for 19 brokerage firms, asset management firms, and life insurance firms.

NDID Proxy, served by DAP, is a platform linking NDID to business operators, enabling investors to open securities trading accounts, mutual fund accounts, life insurance policy and other types of account by simply confirming their identity with their existing account where their identification has already been verified. Participants can participate in the blockchain-based NDID system without having to establish own nodes. With secured identification technology, the paperless and timely service will help reduce operational cost and provide business operators. To enhance the effectiveness of end-to-end identification and verification process, the "Citizen ID card with Thailand's Department of Provincial Administration" service has also been added to make this a complete one-stop service.

DAP has also launched the "e-Stamp Duty" service for five categories of electronic financial contracts according to the Revenue Department (RD)'s announcement, making it convenient and safe in line with international standards. Business operators can make multiple purchases and payments of duty stamp via DAP's digital platform. With this service, it is no longer necessary for business operators to buy physical stamp duty in a paper format in advance. This paperless system will not only be eco-friendly but also help reduce cost, save time to be spent on filing documents and improve workflow efficiency. Some business operators have already started using this service

earlier this month. DAP will further work with the RD to expand this payment service to a further 28 paper-based categories by the end of this year.

In addition, DAP also plans to work with other governments and regulatory agencies for digital services for the benefits of the intermediary institutes and the capital market industry. In addition, it is continuously developing existing infrastructure services such as FundConnex, etc. Designed with an open architecture approach, FundConnex allows investors to invest in various mutual funds from different asset managers with a single account. Over the past 3 years since the service has been available, the volume and value of trading transactions has been growing exponentially.

"It is required that the capital market develop the infrastructure and platform to support the growth of the industry, minimize cost, expand business and enhance competitiveness. In addition, these will make investment more accessible for all investors. This digitalization approach is in response to the new normal, where online or digital tools compliment face-to-face interactions. DAP is a key mechanism which is part of SET's strategy to grow with stakeholders and sustainable society inclusively," added Pakorn.

*Source : [SET Group, 2020/07/20](#)

Thailand Securities Depository's Digital Registrar Services

1. E-services

To capture the effect from the spread of COVID-19 pandemic, TSD has quickly responded to the situation by re-prioritizing project development focusing electronic services not only for the remedy of COVID-19 impact but also for the accommodation of long-term use.

2. e-Proxy

TSD has launched the e-Proxy platform which is a channel to connect TSD's members who submit proxy voting electronically for their clients, with the issuers. The development is divided into phases. The 1st phase has been live since May 5, 2020 and scoped down to allow 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. The service reduces the risk of human error, operational cost and time consumed in AGM process. Furthermore, TSD is now developing a system to connect with Revenue Department in order to facilitate electronic stamp (E-stamp) duty as well as its payment for the proxy form.

3. e-Dividend

e-Dividend is one of TSD services facilitating securities holders to receive their dividend being electronically transferred to their bank account. In the past, the amount of e-dividend was capped only at THB 40 million, and if higher, the cheque will then be issued. Since April 2020, TSD has enhanced the quality of this service by removing the condition of maximum limit, therefore the money can be now transferred electronically to bank accounts regardless of the amount.

*Source: [TSD &TCH Newsletter, 2020/08/26](#)

SET Promotes Thai-listed Firms' ESG Information

The Stock Exchange of Thailand (SET) promotes "ESG information" of Thai listed companies, featuring sustainability assessment results and list of sustainable stocks, published on settrade.com. ESG assessment scores are provided by two international agencies, namely Germany-based Arabesque S-Ray and France-based Vigeo Eiris.

SET Senior Executive Vice President Rinjai Chakornpipat said, "The ESG (Environmental, Social and Governance) concern is increasingly important to investors' decisions globally, spanning Thailand these days. SET has continued to promote sustainable investing, particularly through the dissemination of sustainability information of Thai listed companies among investors, and more so with the recent "ESG Information" launch which is published on the website settrade.com."

"ESG Information" published on settrade.com compiles sustainability rating data of Thai listed companies, including information on constituents in the Dow Jones Sustainability Indices (DJSI), the SET THSI index, and list of THSI stocks (sustainable stocks), prepared by SET, as well as the CG Report (CGR) Survey conducted by the Thai Institute of Directors (IOD). In addition, it also includes data from SET's global partners, namely Arabesque S-Ray GmbH and Vigeo Eiris, which provide sustainability rating services for businesses worldwide. The "ESG Information" would enable Thai investors to access to ESG assessment results of Thai listed companies conveniently and free of charge, while offering comprehensive information reflecting growth potentials and long-term corporate value. This will enhance sustainability perspectives of Thai context and from the standpoint of world-class sustainability rating agencies.

Georg Kell, Chairman of Arabesque and the founding Executive Director of the United Nations Global Compact said, "As investors around the world become increasingly aware of the importance of ESG factors, SET has shown real leadership in encouraging companies to integrate ESG in business practices, and to provide better information on sustainability issues. SET has also taken great strides in encouraging investors to consider ESG factors when making investment decisions. Thailand is today at the forefront of ESG compliance and disclosure practice, and we are delighted that Arabesque S-Ray? data will be available to investors, listed companies and all stakeholders across the Thai capital market."

Juliette Macresy, Head of Greater China and South East Asia markets, Vigeo Eiris said, "For over 30 years, Vigeo Eiris has been committed to the growth and development of the responsible investment industry. The agency's Asia Pacific office was established in 2018 in Hong Kong where Vigeo Eiris is currently the leading external reviewer.

Vigeo Eiris has delivered 28 Second Party Opinions in the region, two of which have been in Thailand. Our hope is that this partnership contributes to a constructive dialogue between market participants in Thailand on ESG, increasing transparency, understanding and ultimately helping to deliver sustainable value to the region."

*Source: [SET Group, 2020/07/03](#)

TDCC's Fund Clear info website to work with Morningstar

According to statistics on TDCC's Fund Clear information website, as of the end of June 2020, mutual funds, onshore and offshore combined, held by Taiwanese investors were worth NT\$7.4 trillion, suggesting that mutual funds as an asset class are gaining traction among investors in Taiwan.

TDCC established an Offshore Fund information reporting and announcement Platform and a Futures Fund information reporting and announcement Platform, respectively, in 2005 and 2007, upon the requests of competent authorities to serve market demand. In 2018, TDCC took a step further by working with the Securities Investment Trust and Consulting Association in building Fund Clear, an integrated portal for mutual fund information that allows investors to access complete information about onshore and offshore funds on a single website.

TDCC President Chu Han-chiang said in order to better help investors make trade decisions, the mutual fund information website will embark on a cooperation project with Morningstar Inc. by introducing some unique and proprietary features of Morningstar, including star ratings for mutual funds, style box of investment portfolios and performance charts of per 10k currency investments. The newly added information will be presented in a more straightforward and instinctive fashion, using reader-friendly graphics and charts, rather than just a compilation of numbers.

Morningstar Rating is a system of gauging risk-adjusted returns of a mutual fund in relation to its category peer group on a scale of one to five stars (five being the highest) based on the returns, risks and fees of individual funds. The Morningstar Style Profile summarizes the style of a mutual fund in a simple nine-square graphic according to its investment portfolio, so that investors do not just make assumptions about the fund based on its name. The per 10k currency performance chart indicates the returns of a mutual fund (for investment of 10k of whatever currency it is denominated in) over the past three years.

President Chu emphasized that TDCC has been in the mutual fund business for more than a decade. The Fund Clear information website is a credible portal that aims to provide investors with well-rounded fund market information services. Fund Clear intends to provide more useful information to investors moving forward to build a complete eco-system of fund services.

*Source: [Taiwan Depository & Clearing Corporation, 2020/07/16](#)

Taiwan Launches New ESG Dashboard, Partnering FTSE Russell, ISS ESG, MSCI and Sustainalytics

Taiwan Depository & Clearing Corporation (TDCC), the central securities depository of Taiwan, today launched a new solution, Taiwan ESG Dashboard, to help issuers and investors access ESG ratings of Taiwanese companies.

The Taiwan ESG Dashboard will enable domestic issuers to effectively manage their ESG ratings and empower local institutions to engage on ESG issues, by providing them a consolidated channel to access ratings from leading ESG rating providers. FTSE Russell, ISS ESG, MSCI and Sustainalytics have collaborated with TDCC on the project.

“ESG ratings reflect the diversified views of the community,” said Sherman Lin, Chairman and CEO of TDCC. “Issuers and investors can utilize ratings as benchmarks to comply with global standards and integrate ESG into their investment process.”

Helena Fung, Head of Sustainable Investment, Asia Pacific, FTSE Russell, said, “We are delighted to collaborate with TDCC on their new ESG initiative, a mark of our ongoing commitment to markets in Taiwan and across the Asia Pacific region. FTSE Russell’s ESG Ratings and data model provide globally recognised standards for market participants and companies to utilise as they incorporate sustainability approaches into their investment strategies.”

Since 2018, Institutional Shareholder Services (ISS) has been the premier partner of TDCC annual conferences through its wholly owned subsidiary, ISS Corporate Solutions, which caters to companies across Taiwan and the Asia-Pacific regional more broadly. The relationship expanded in 2019 when TDCC and ISS entered into a partnership for vote delivery. Today’s announcement reflects a further expansion of this critical partnership to now encompass ISS ESG, the responsible investment arm of ISS.

“Events over recent months have made clear why ESG matters now more than ever for investors, their portfolio companies, and stakeholders broadly,” said Marija Kramer, Head of ISS ESG. “We are pleased to partner with the TDCC on this significant initiative in recognition of the importance and vibrancy of Taiwan’s capital markets.”

“ESG is increasingly being viewed by investors as a critical factor for building portfolios,” said Chitra Hepburn, Head of APAC ESG Client Coverage at MSCI. “We are delighted to collaborate with TDCC to provide institutional investors in Taiwan with MSCI’s ESG ratings, helping them to integrate ESG considerations throughout their investment process.”

Sustainalytics first began supporting TDCC with the provision of ESG research for its depository clients in 2019. “We congratulate Sherman and the team at TDCC on their thought leadership in bringing this innovative Investor Relations Platform solution to market,” said Jodie Tapscott, Director, Client Relations & Head of Asia Pacific ex Japan at Sustainalytics. “This ESG Dashboard will build positive momentum to improve corporate ESG disclosure and encourage further ESG integration in an institutional investment market rapidly adopting responsible investment principles.”

The Taiwan ESG Dashboard will be delivered on TDCC IR Platform, the flagship ESG initiative in Taiwan aiming to encourage sustainable investing and enhance companies’ performance on ESG issues.

About TDCC IR Platform

TDCC Investor Relations Platform (IR Platform), the flagship ESG initiative in Taiwan, aims to encourage sustainable investing and enhance companies’ performance on ESG issues. The platform seeks to achieve this goal through cooperating with leading research agencies, providing data-driven ESG solutions, and facilitating stakeholder dialogues. For more information, please visit <https://irplatform.tdcc.com.tw/>

*Source: [Taiwan Depository & Clearing Corporation, 2020/08/27](#)