

Journey into the Future – Planning the Known and Preparing the Unknown

Lum Yong Teng

8 November 2022

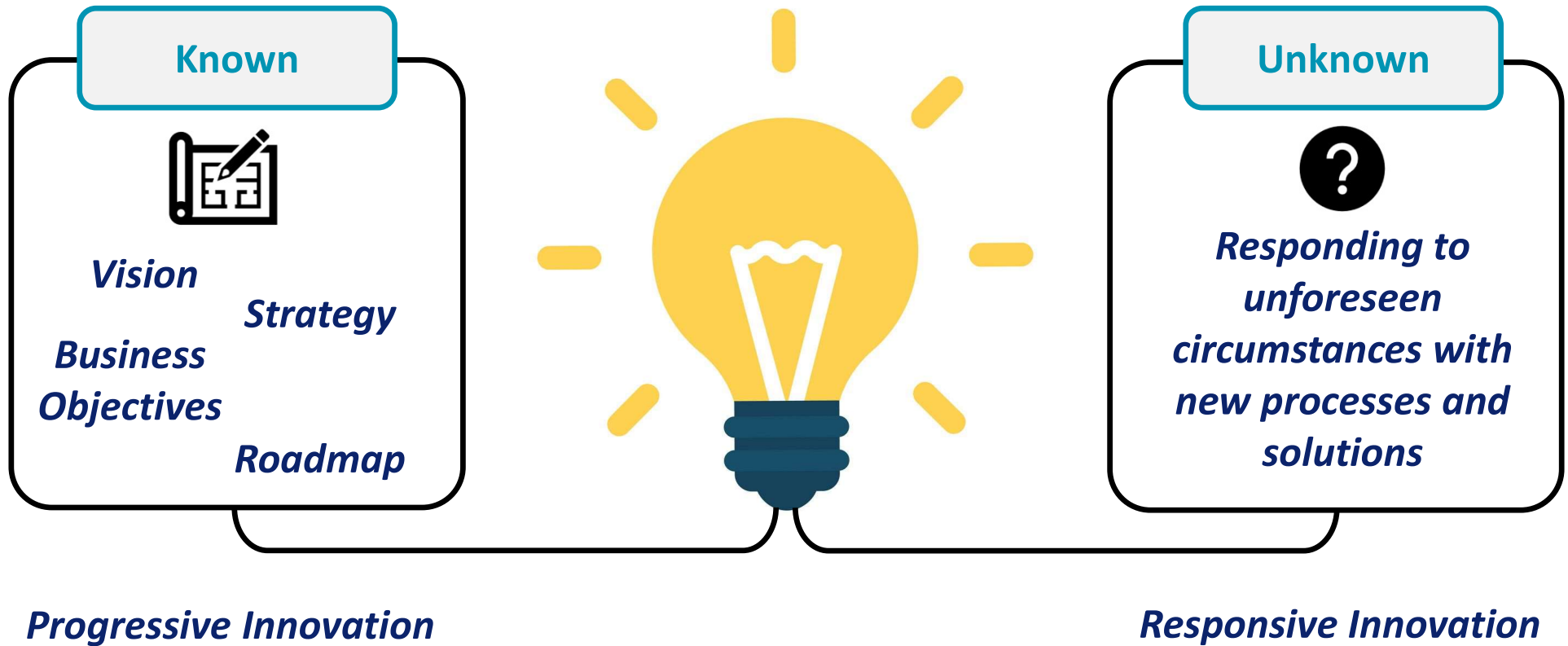
Singapore Exchange

Commodities | Equity Derivatives | Fixed Income | FX | Indices | Securities

Agenda

1. Drivers of innovation
2. Driving digital markets infrastructure
3. Lessons from Covid-19
4. Preparing for the unknown
5. Journey into the future

Drivers of Innovation



Progressive Innovation – Driving Digital Markets Infrastructure

Marketnode, founded in 2021, is **SGX Group**'s digital-asset joint venture with **Temasek**.

Using new technologies such as **distributed ledger technology**, **artificial intelligence** and **machine learning tools**, Marketnode's platform offers **streamlined documentation** and **ESG bond data**.



How digital platforms can help in overall delivery to debt markets



Digital bond issuance

Smart contracts to automate settlement and coupon/repayment instructions

Single source of truth for reference data on bond terms, trade and settlement status, ownership and coupon/ repayment instructions

Case Study: OCBC Bank US\$100m Euro Commercial Paper

**“Direct-to-depository” service,
providing one-stop documentation
and security creation capability**

**OCBC
Bank**



MARKETNODE



Shortened settlement from T+5 to T+2

60% reduction in settlement time for new-issue bond offerings, in line secondary bond market



Automated document generation

Reduction of manual processes such as term sheet and global note generation



Paperless issuance

Full elimination of paper trail with digital signatures in place of wet-ink signatures



Digitalised workflows with direct connection into CDP

Streamlined workflows with relevant documentation transmitted to SGX CDP for security creation & custody

“Debt issuers can now choose a new digital channel to list on SGX and custodise with CDP. The successful launch of Marketnode’s new DLT-enabled direct-to-depository service for debt issuers is an important step in SGX Group’s vision to build a fully digitalised fixed income market infrastructure in Singapore. The digitalisation of OCBC Bank’s bond issuance can act as a blueprint for us to operate Asia’s first digital bond infrastructure utility within a regulated securities depository, further strengthening Singapore’s position as a fixed income hub with one-stop digital issuance for international issuers.”

- Lee Beng Hong, Head of Fixed Income, Currencies and Commodities, SGX Group

Responsive Innovation – Lessons from Covid-19



Planned innovation had to be put **on hold**

Focus on delivery of core services to ensure **100% service availability** within existing constraints

Closure of Service Centre



Introduced virtual meetings via video calls to replace need for face-to-face interactions with customers

Delay in postal services



Delivered digital solutions for Corporate Action events e.g. rights application via PayNow, scrip and currency election via Investor Portal

Handling volumes with reduction in manpower



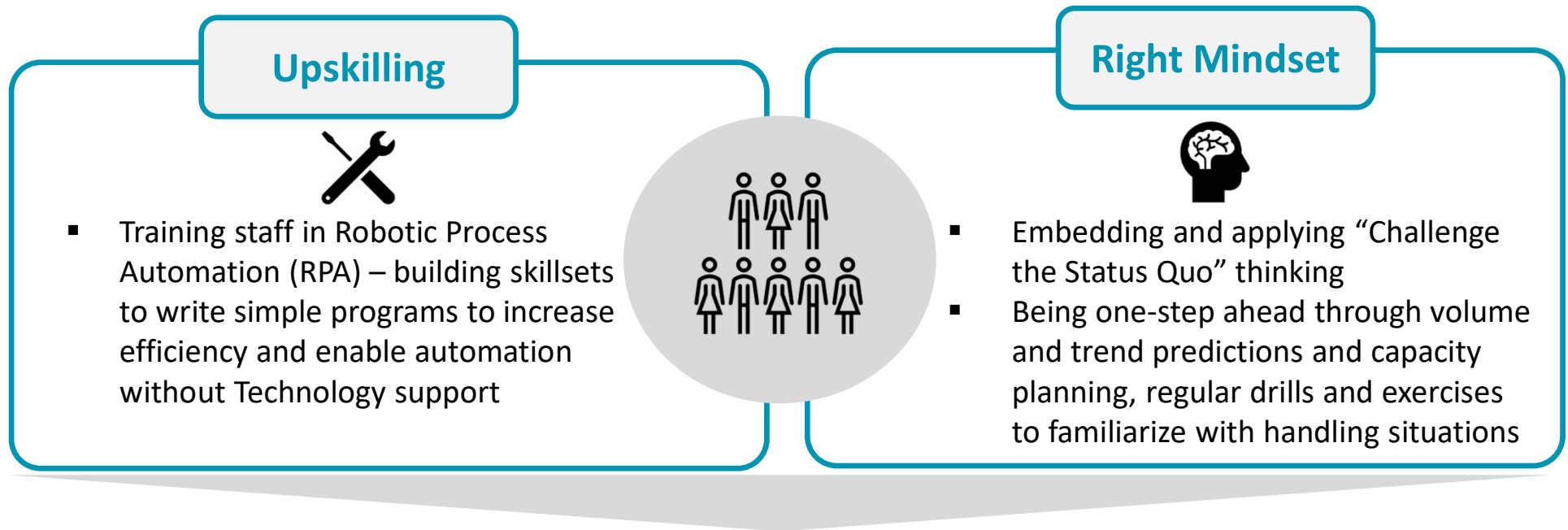
Facilitated more self-help options and straight-through processing e.g. automated services via CDP phone IVR options

Inability to operate from workplace



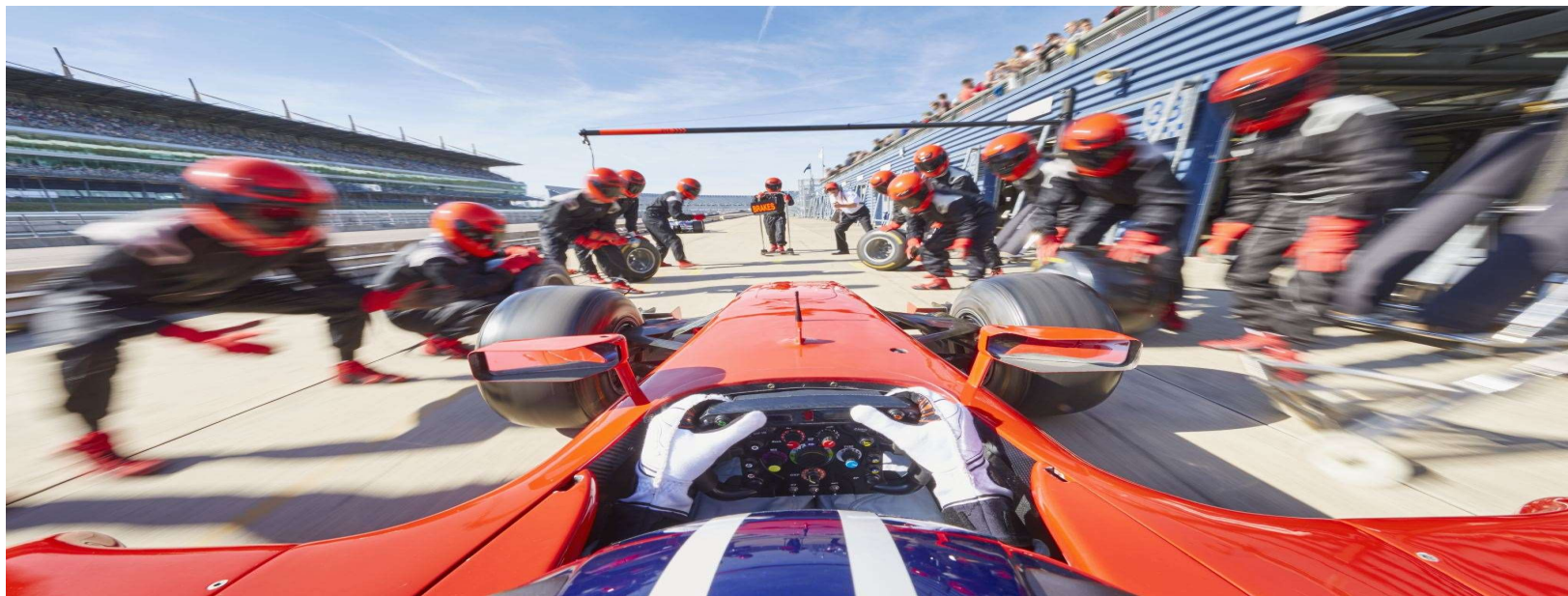
Enabled remote working for all staff including operationalising new processes and workflows to facilitate a new service model

Preparing for the Unknown – People Capability Building



Being agile, adaptable and resilient to weather the next storm

Journey into the Future



Technology
(Engine)



Skilled People
(Driver)



Future-Proof
Innovation

Thank you

Singapore Exchange

Commodities | Equity Derivatives | Fixed Income | FX | Indices | Securities

[sgx.com](https://www.sgx.com)