

TSD & TCH Newsletter

Vol.5 • Quarter2 • 2020

COVID-19 Preparation

During the spread of COVID-19 around the world, TSD & TCH have closely monitored the situation in order to prepare for the precautionary measures to ensure our duty as market infrastructure. These include splitting the team into 2 groups: for working at the site and for working from home (WFH); amplifying the scale of hygiene procedure in the building and quickly developing the internal application for the staff to report their circumstances, which will consequently be escalated up to management level near real-time basis. As a result, our services were able to operate seamlessly without any disruption from the pandemic.

Development of TSD & TCH by H2/2020

TSD & TCH : Preparation for SWIFT ISO20022

Continuously operating from 2019 where the mapping into ISO20022 for messages routed via the RTGS linkage was in discussion, in June 2020, TSD, TCH and Bank of Thailand (BOT) took another step by finalizing the documentation of message specification and business requirements for system enhancement. TSD and TCH will continue to develop the system and cooperate with Bank of Thailand (BOT) to ensure that all upcoming major activities such as the participation of industry wide test (IWT) from the end of 2021 are achievable so that the expected go-live schedule in H1/2022 is firmly secured.

Thailand Clearing House (TCH)

Reclassification of Securities Clearing Membership

TCH has reclassified the category of securities clearing membership by separating into 2 groups (1) General Clearing Member (GCM) and (2) Direct Clearing Member (DCM). The capability of undertaking clearing & settlement and financial requirement between these two groups are set up differently. This development will offer a variety of choices and increase flexibility for members to operate their business efficiently. Related rules have already been approved by the SEC and will take effect by H2/2020.

Remark:

(1) GCM: a member who undertakes the securities clearing and settlement for itself or clients, or for other members or other members' clients.

(2) DCM: a member who undertakes the securities clearing and settlement for itself or clients whereby the member's client must not be the Exchange's members or TCH's members

Schedule change in submission of risk management report

TCH has modified the rules to facilitate members for simpler process of submitting risk management report, covering report of daily net capital, as well as report on its financial condition and operating results to TCH by using the same schedule as prescribed by the SEC. This will help member to avoid confusion and increase efficiency in compliance procedure. These rules were effective from July 1, 2020 onwards.



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Thailand Securities Depository (TSD)

✓ *CSD Services:*

Platform for Scripless Bond using DLT technology

As a member of “DLT Scripless bond project” collaboration of Bank of Thailand and 7 organizations, TSD has continued to work closely with all parties not only on developing and testing for system but also on drafting the rules and corresponding legal documents. The good cooperation is instrumental in enabling this project to achieve the go live schedule on Q2/2020, starting the first issue with 1-Baht bond (the government savings bond having face value of one baht each).

E-Statement

TSD is now enhancing the system to facilitate members in the process of requesting their “Statement of Account” for their auditor. Members can make the request and provide the details of auditor via this system so that the information can be delivered by email to the specified destination. This will help speed up the process, reducing paper work and securing the information. Expected live schedule is by Q4/2020.

✓ *Registrar Services:*

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.

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. This 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.

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.

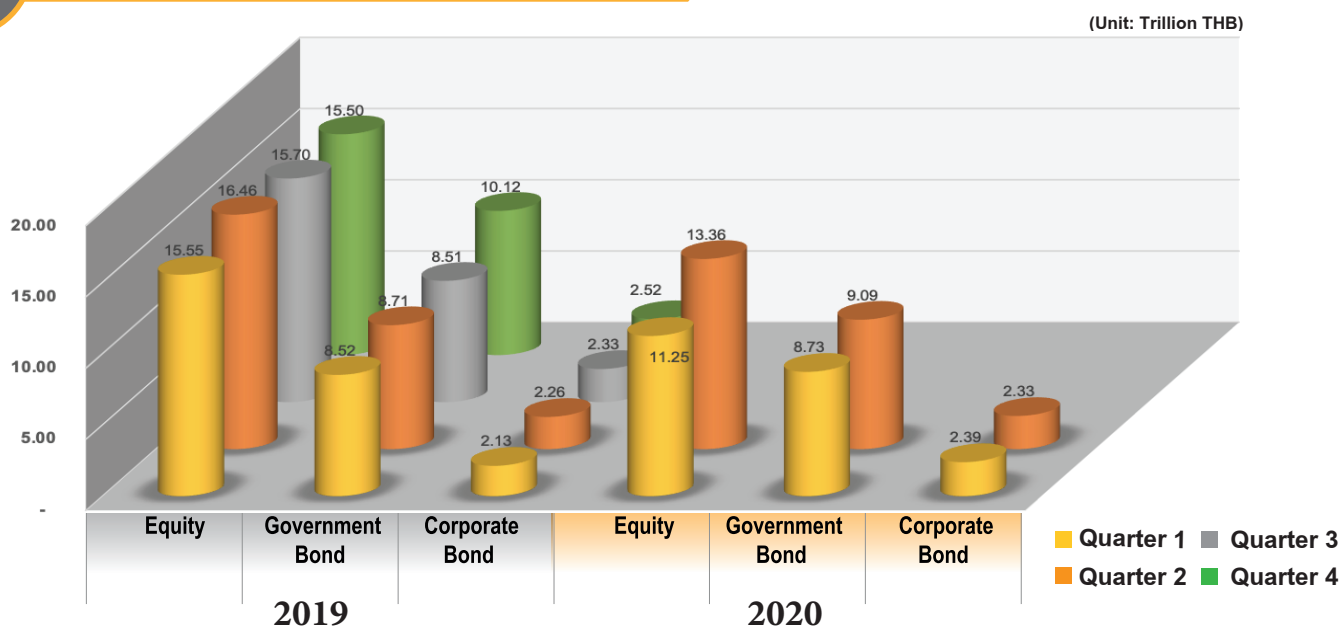
Cash Dividend Donation Program (PanHoonAomBoon-PanPholAomSuk)

Since 2015, TSD has introduced share donation program called “Pan Hoon Aom Boon” (in Thai). The objective is to support social contribution by donating the shares to Sai Jai Thai Foundation under Royal Patronage. This year the program has expanded to cover the donation of cash dividend called “Pan Phol Aom Suk”, scheduled to launch by Q4/2020.



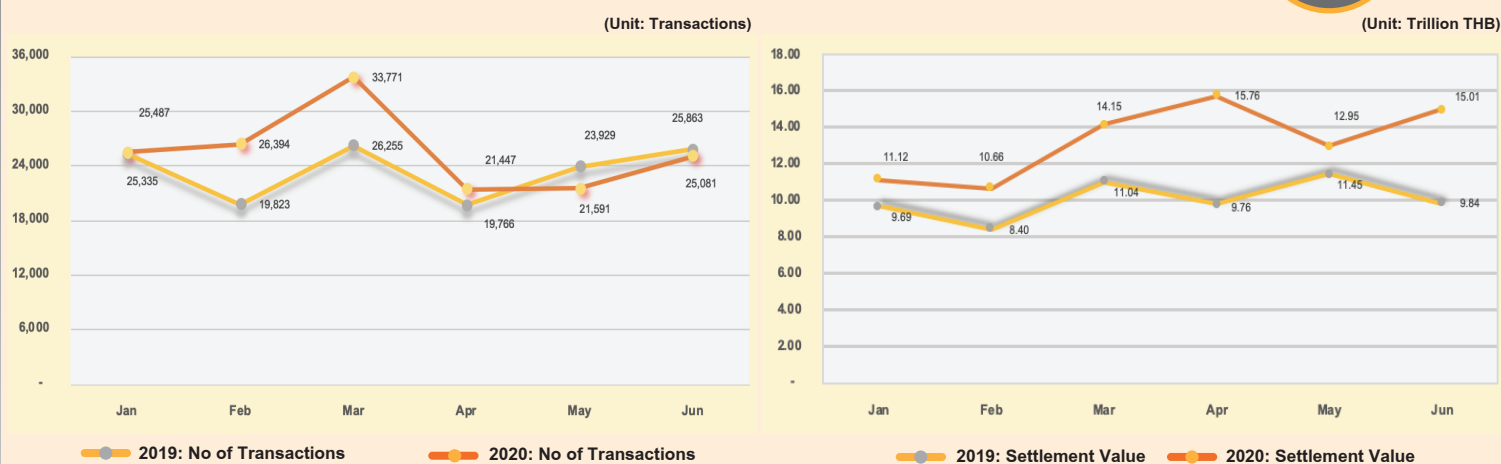
1

Total Asset Value under Custody



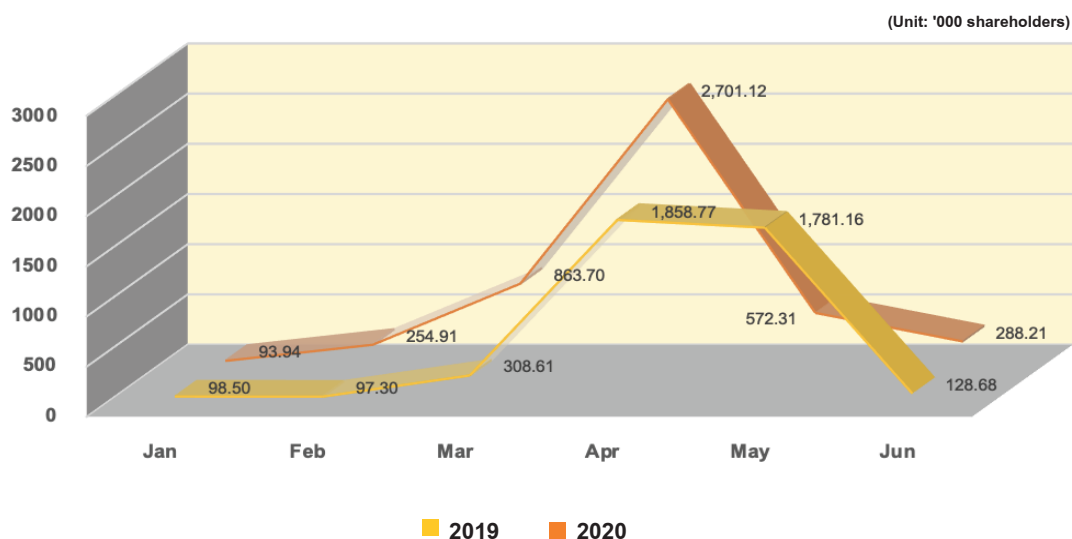
Bond Settlement (Over-the-Counter)

2



3

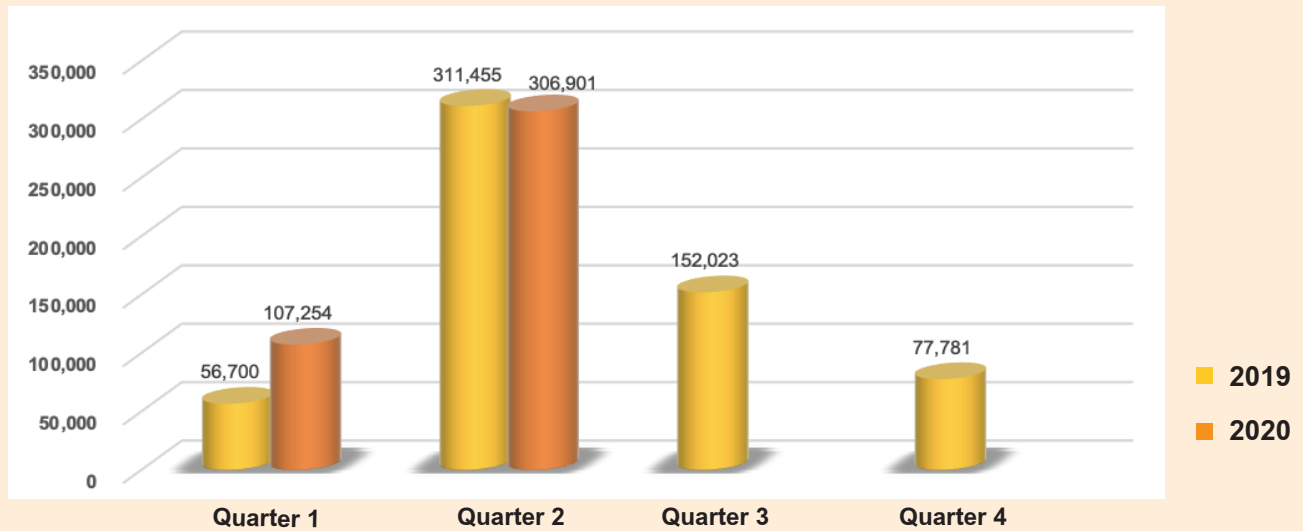
Number of shareholders received benefits



4

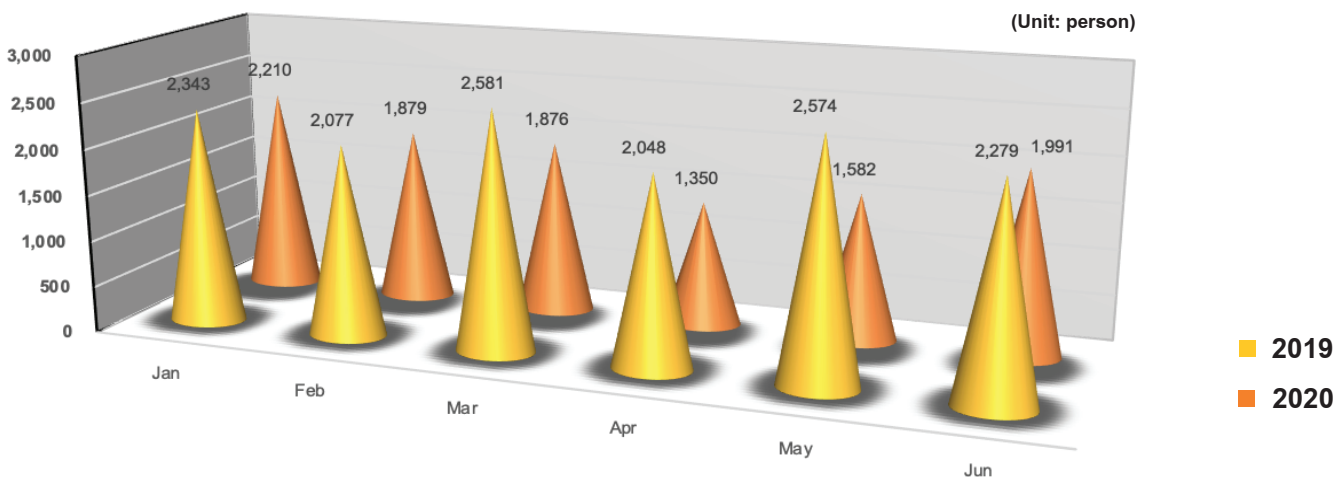
Total Dividend and Interest Payment

(Unit: million THB)



Number of investors at TSD Counter Service

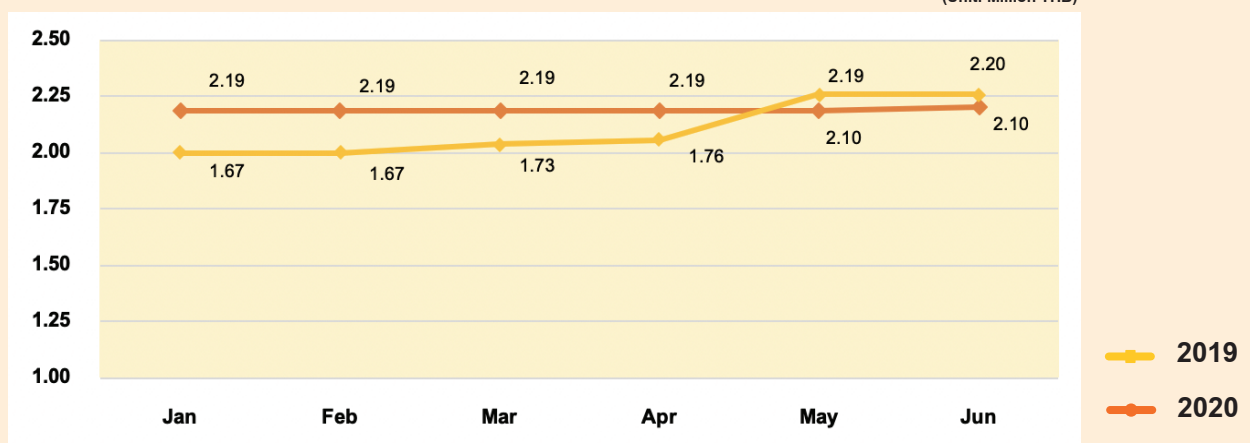
5



6

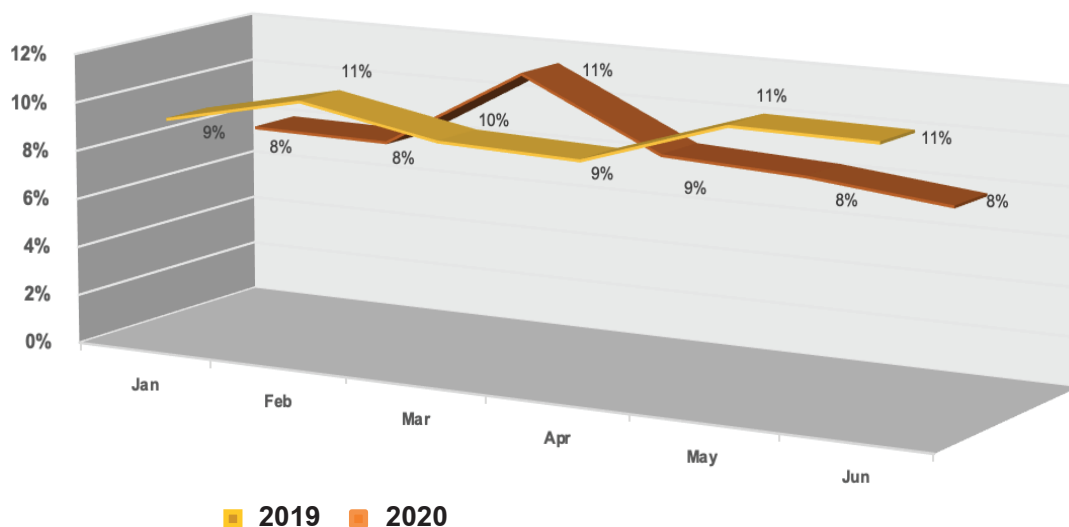
Total Share Value under "Pan Hoon Aom Boon"* project

(Unit: Million THB)



*Pan Hoon Aom Boon is share donation project

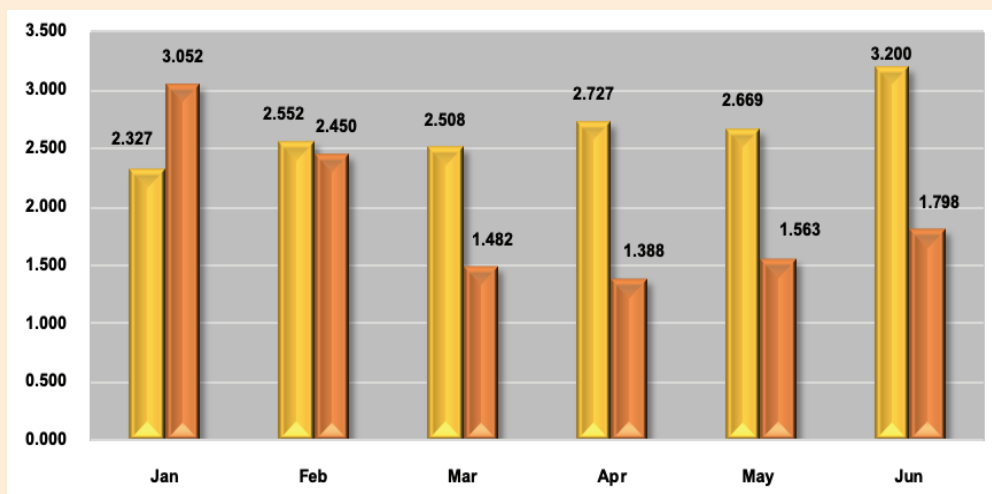
1 Settlement rate of Securities Market



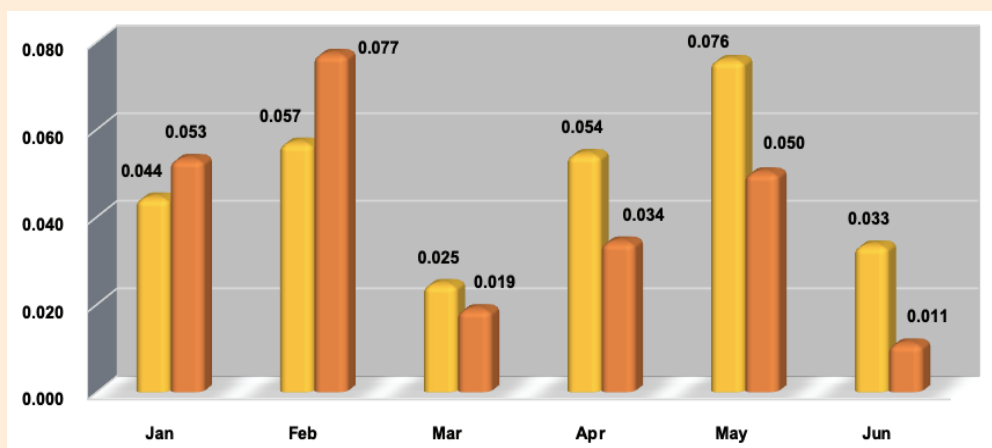
Open Interest of Derivatives Market

2

Futures Contract (million)



Options Contract (million)



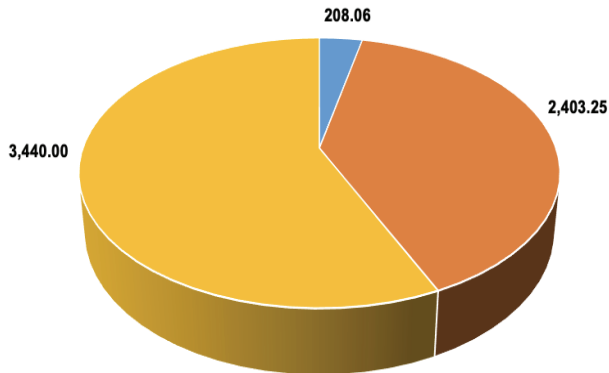


3

Guarantee fund & Reserve fund of Securities and Derivatives Market

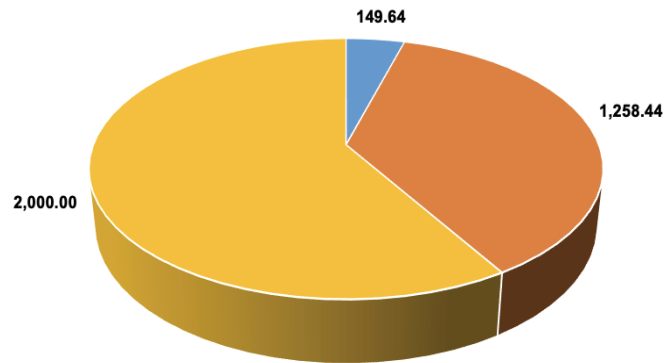
Quarter 2 / 2020

Securities Market



■ Clearing Fund from SET ■ Reserve Fund
■ Clearing Fund from Members

Derivatives Market



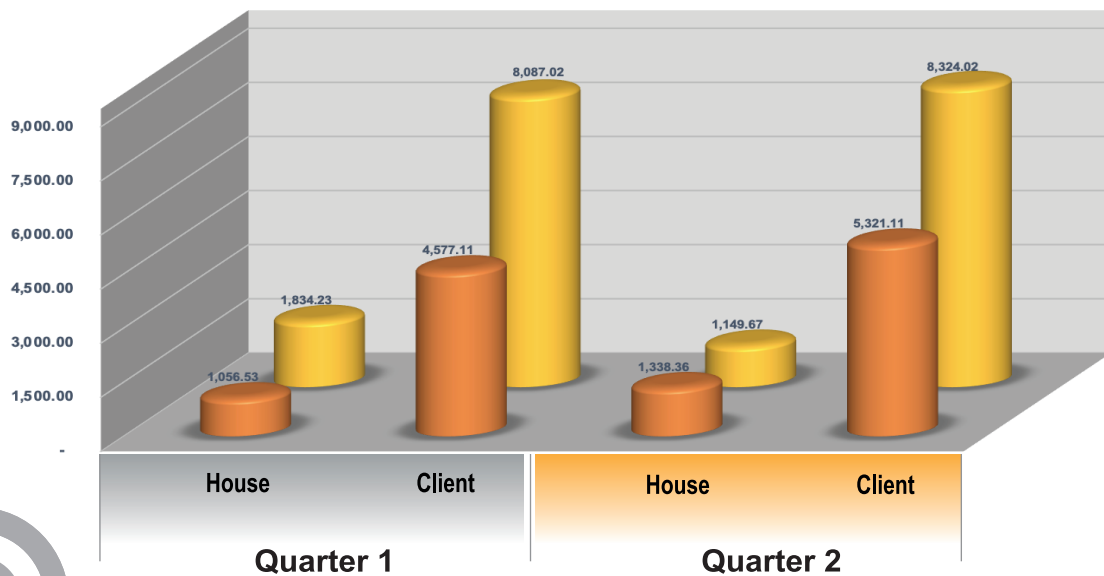
■ Clearing Fund from SET ■ Reserve Fund
■ Clearing Fund from Members



Total Maintenance Margin Requirement (House and Client Account)

4

(Unit: Million THB)



■ 2019 ■ 2020

