

KSD Consulting Service

- Senior Advisor System-

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Agenda

➤ **Key features of the Korean securities market**

1. Development background of CSD industry of Korea
2. Relative efficiency of the Korean securities market
3. Securities Service Ecosystem

➤ **KSD Senior Advisor System**

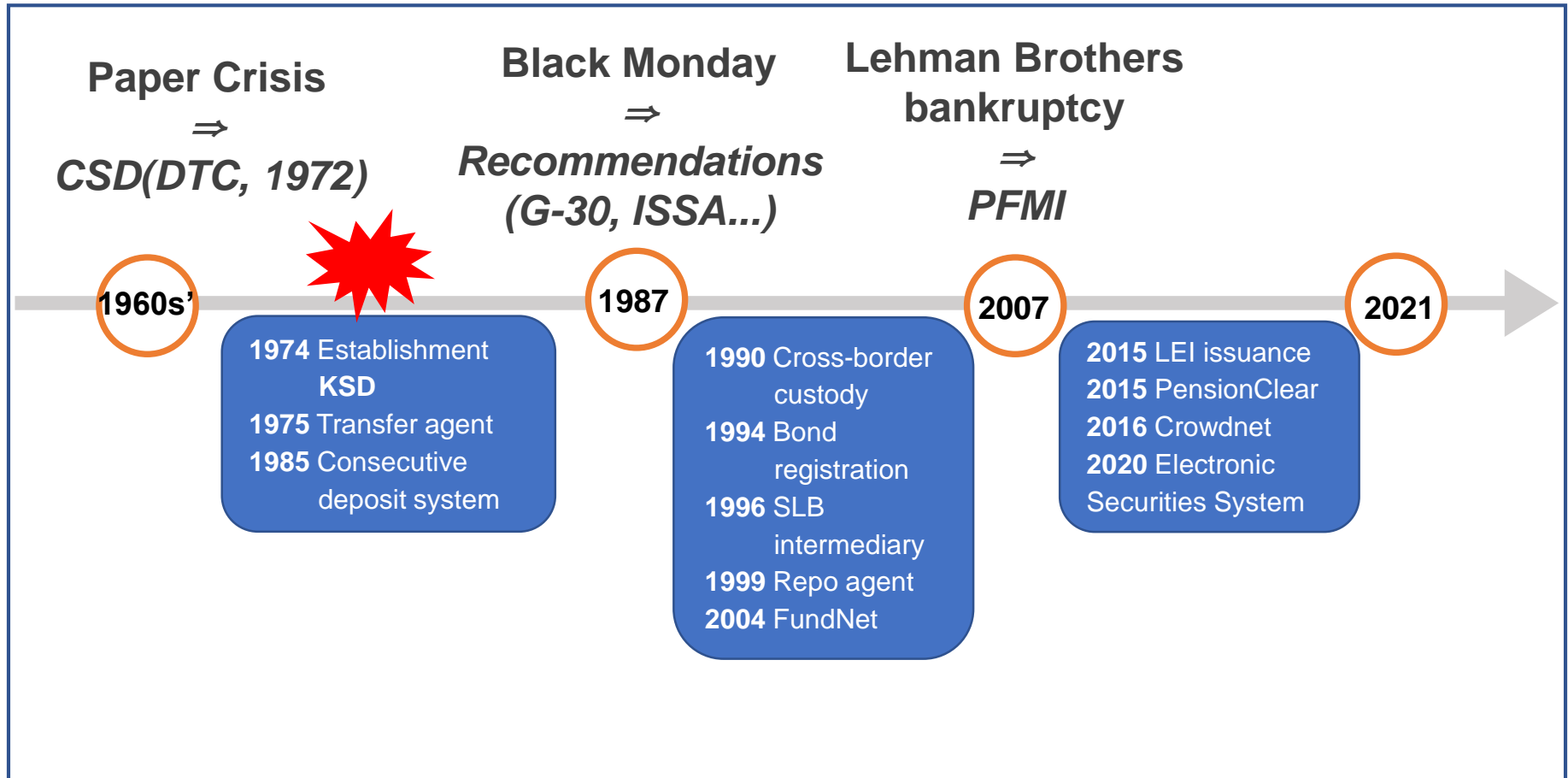
1. Basic Concept and Cases
2. Representative Case : Mongolia
3. Favorable vs Unfavorable
4. How to effectively use the KSD Advisor System

Key features of the Korean securities market

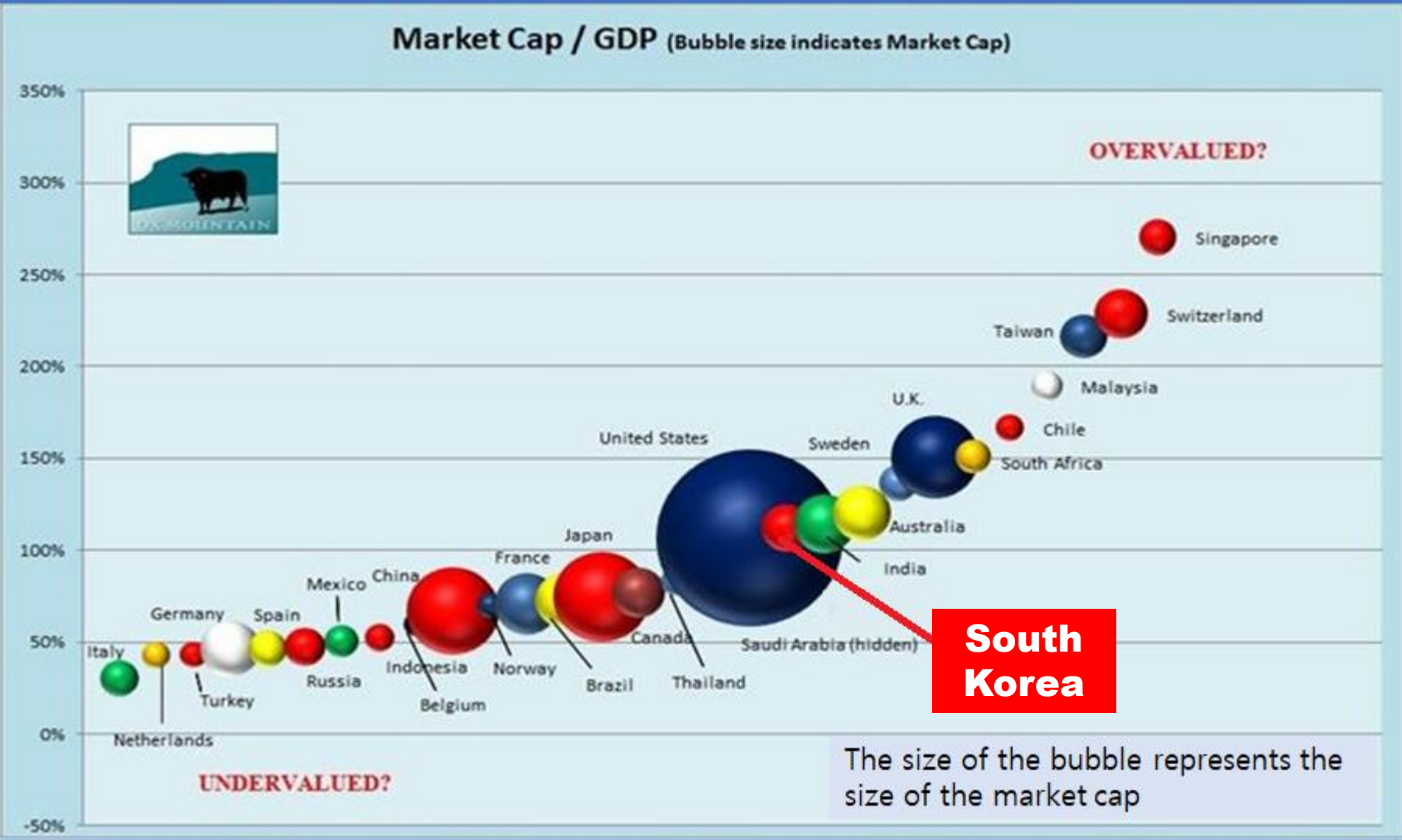
- 1. Development Background**
- 2. Relative Efficiency**
- 3. Securities Service Ecosystem**

Development Background

✓ Purpose of eliminating inefficiencies and risks



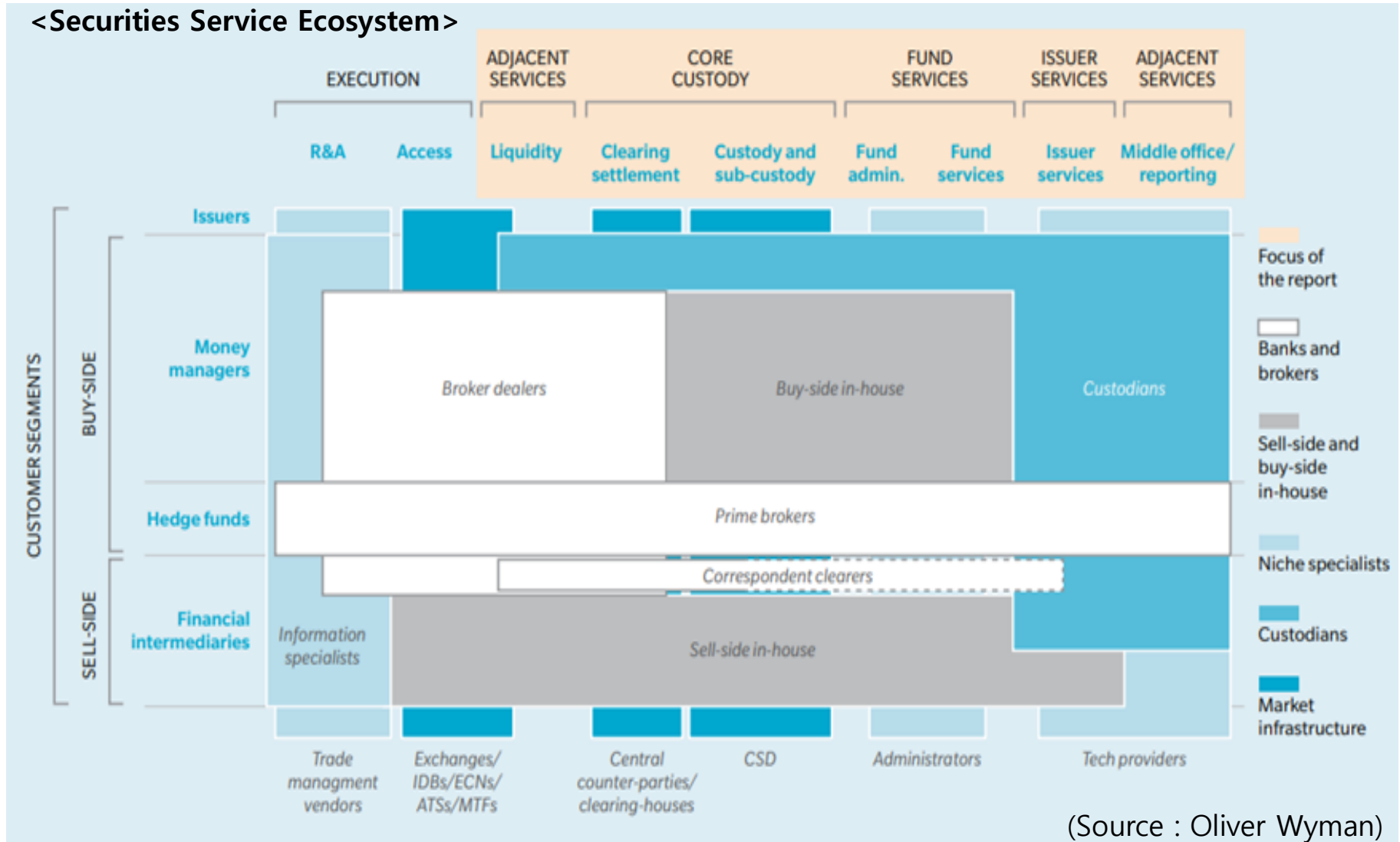
Relative Efficiency



(source : <https://www.namu.wiki>, 01. 2021)

Securities Service Ecosystem

<Securities Service Ecosystem>



(Source : Oliver Wyman)

KSD Senior Advisor System

- 1. Basic Concept and Cases**
- 2. Representative Case : Mongolia**
- 3. Favorable vs Unfavorable**
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Basic Concept and Cases

- ✓ After the Covid-19 pandemic, a new global cooperation model is needed in the CSD Industry for shared growth.
 - In the past, CSD's main role was limited to back-office, so investments were always subordinated.
 - Currently, capital market growth is impossible without CSD.
- ✓ Exchange of knowledge and information on capital markets between the CSDs of two countries
- ✓ Strengthening the global business capabilities of the CSDs in both countries

<Cases in Point>

Countries	CSD	Term
Vietnam	VSD	'18.5~19.4(one year)
Mongolia	MCSD	'18.5~20.10 (two and half year)
Uzbekistan	UZCSD	'19.6~20.5(one year)

Representative Case : Mongolia(1)

Consulting Activity : 2 years

- ① “Basic Concept of Clearing and Settlement” _ Training
- ② “Mongolia Capital Market Improvement Direction to Adopt the DVP / T+2” _ Recommendation
- ③ “Reform Plan of Clearing & Settlement system for Globalization of Mongolian Securities Market” _ Implementation Plan
- ④ Establishing best practices & developing IT system

Introduction of Best Practice

“Migration of share between Mongolia and Canada”

Representative Case : Mongolia(2)

Holding Seminars : 2 times

- ① “Cross-border Issuance & Investment”
- ② “the infrastructure required for the introduction of the Mutual Fund for the Mongolian capital market.”

Research Activity

“4 Challenges and Solutions for the Mongolian Securities Market”

Favorable vs Unfavorable

Favorable

- Active cooperation of policy authorities
- Mongolian Stock Market Officials' Willingness to Improve
- Appropriate role allocation and harmony

Unfavorable

- Language
- Local Standards
- Conflicts of interest over business areas and responsibilities among project entities
- Non-professional, non-strategic advice from vendors

How to effectively use the KSD Advisor System

Positioning and Consultation

- Specification of necessary area (system development, best practice establishment, knowledge transfer, etc.)
- Consultation with KSD to select appropriate advisor(s)

Establish a co-work frame

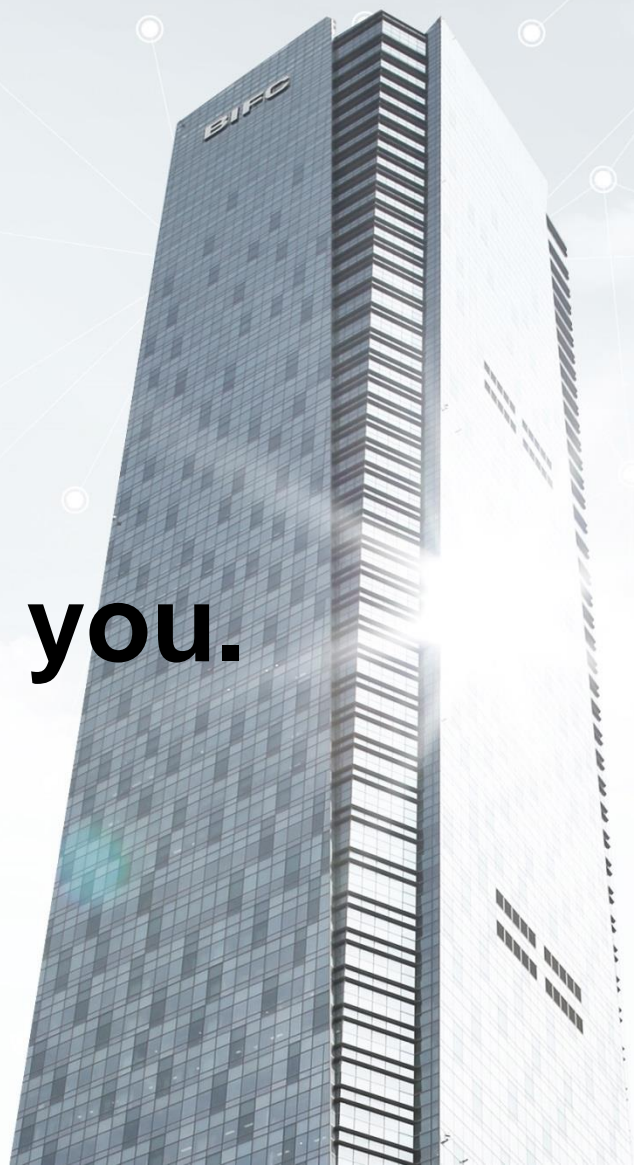
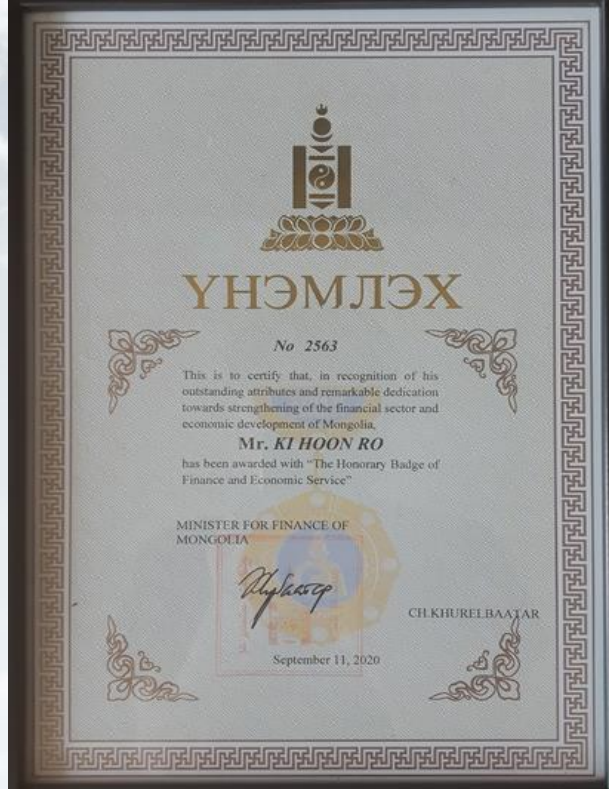
- T/F consisting of policy makers, market participants, central banks, etc.

Other Considerations

- Giving enough time,
- Solving language problems, etc.

Clear R & R

- The role of KSD advisor is limited (sharing, suggesting and training)
- Locals are in charge of acting (determining policy & business cases, developing IT system, etc.)



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Thank you.