

CDS
Investor Services



Central Depository Systems (Pvt) Limited

CONVENIENT : DEDICATED : SECURE

DIGITALIZATION OF SRI LANKAN STOCK MARKET

The SEC/CSE Joint Committee was formed by the Securities and Exchange Commission of Sri Lanka and Colombo Stock Exchange with the objective of Digitizing all stakeholder touchpoints enabling end to end connectivity electronically with an interactive user interface and user experience. The CSE identified and recommended the Committee following projects as a **Master Plan** in order to achieve the said objective.

Phase	Projects
1	<ul style="list-style-type: none">• Conversion of paper-based delivery to electronic based delivery.• Convert all dividend payments to electronic form.
2	<ul style="list-style-type: none">• Enabling the opening of online CDS Accounts with a Stockbroker of choice eliminating the need for a physical visit to a branch office of a stockbroker and commence trading instantly.• Development of Data package for account holders.
3	<ul style="list-style-type: none">• Digitize all other the interactions between the Stockbrokers and their clients through the CDS e-Portal.• Digitalize all other corporate Actions.

CONTRIBUTION THE CDS TO SEC/CSE DIGITALIZATION JOINT COMMITTEE

1

The CDS has been developing its service offering in an incremental manner and have introduced many new.

2

This Digitization joint committee gave leadership to an industrywide digitalisation for the stock market, and this involved the CDS as well .

3

The Committee's initiatives and innovative thinking facilitated uninterrupted business operations even during lockdown periods.

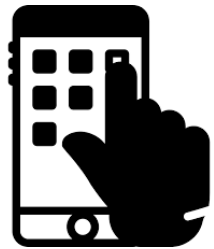
DIGITALIZATION PROGRESS OF THE CDS

- Digital onboarding of Local Individuals to open CDS accounts online and initiation of e-KYC via access to the database of Department of Registrar of Persons Department (DRP) in Sri Lanka.
- **CDS e-Connect.**
 - Balance view.
 - Transaction history view.
 - Monthly statements for past six months.
 - Masterfile change instructions directly/ online from the client.
 - Intra account transfer requests directly/ online from the client.
 - Digital CDS 28
 - Research portal access.
- Establishment of public/private research portal (where the stockbroker can upload).
- e-IPOs
- Digital onboarding of Local Companies to open CDS accounts online.

DIGITAL ONBOARDING OF LOCAL INDIVIDUALS



User Initial Registration Process Via Authnex



Client clicks on the App



Client Enters password, phone No Email Details



Client verifies the Email



Client verifies the OTP Password



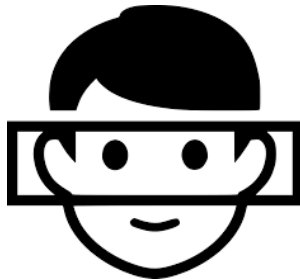
Registered Client in the Portal

Customer Proceeds with New Registration to CDS

Registered Client in the Portal



Client enters KYC Details in the online form.



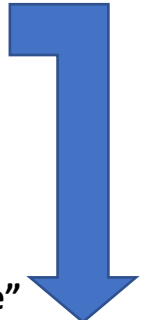
Capturing Client Photo



Upload NIC, Billing Proof, Bank Account Number Proof, other supporting documents



Client Places e-Sign by clicking "Agree" for the Terms and Conditions



Stockbroker conducting KYC verification.

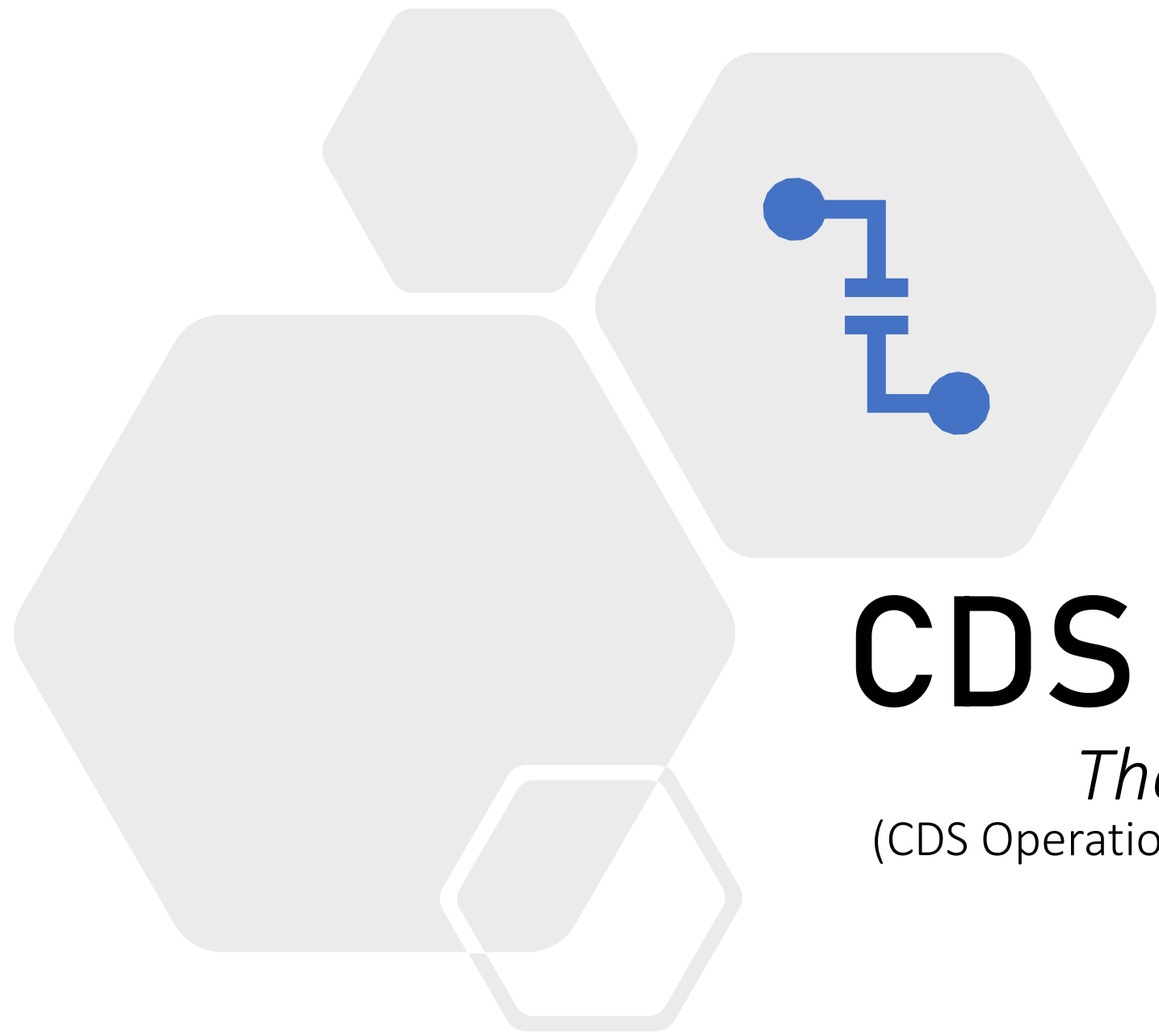


Stockbroker makes the decision to onboard the client.



Open account

Stockbroker opens the account

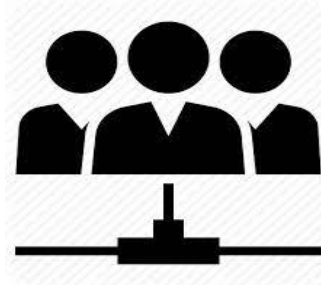


CDS e-Connect

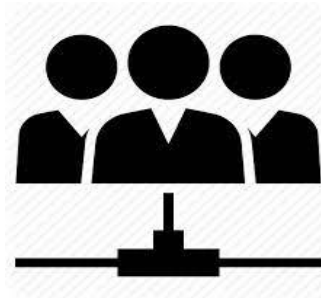
The CDS at Your Fingertips
(CDS Operational Interactions with Client/Broker)

INDIVIDUAL USERS

- Local Individuals.



- Foreign Individuals.



CORPORATE USERS



Local Companies.



Foreign
Companies.



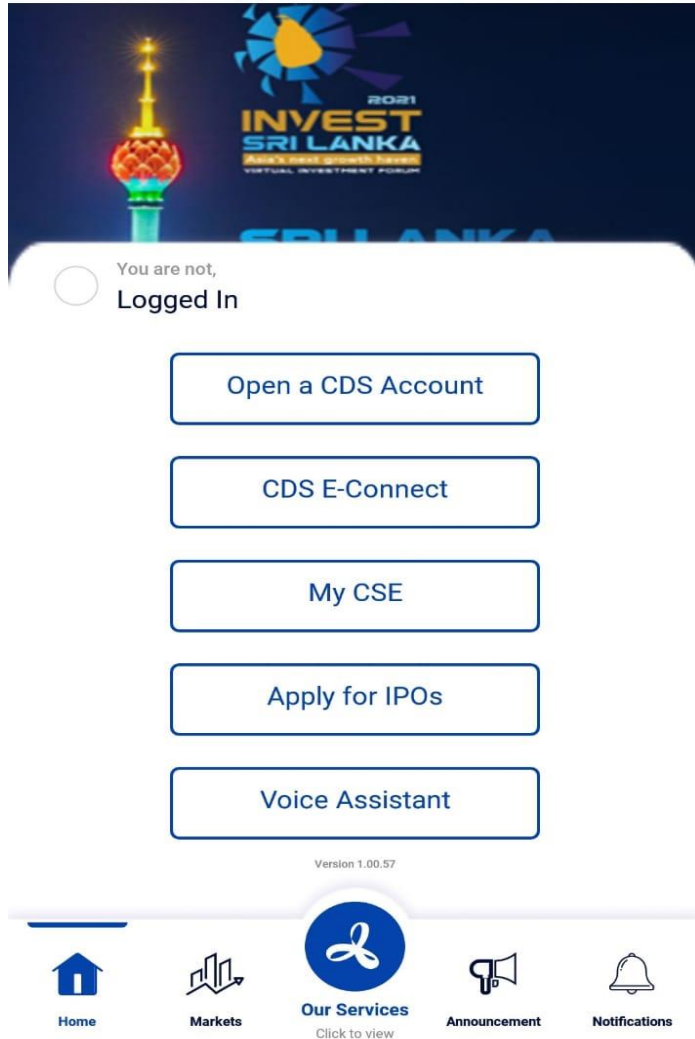
Margin
providers.



Wealth
Managers



OPTIONS FOR OPENING OF e-CONNECT PROFILE FOR INDIVIDUALS



OPTION A

If already has a CDS Account opened via mobile App

Seamless Login to e-connect using same Credentials

OPTION B

If already has a manually opened CDS Account ,
And if Mobile number and email used for mobile registration tally with CDS DB

Seamless Login to e-connect using same Credentials

OPTION C

If Already Had a Manually opened CDS Account ,
And if Mobile number and email used for mobile registration **DOES NOT** tally with CDS DB

Request Access by Updating email / phone request sent via the mobile app
(Stockbroker needs to approve similar to CDS 28)

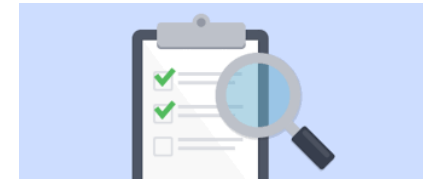
Masterfile Change Process flow (Name, Address, DoB, and TIN Number)



User enters the request in the given space and uploads the supporting documents.



Broker receives the request for approval



Broker verifies the request and documents uploaded.

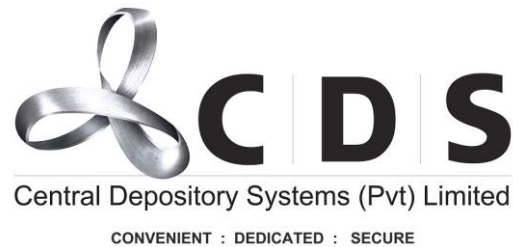
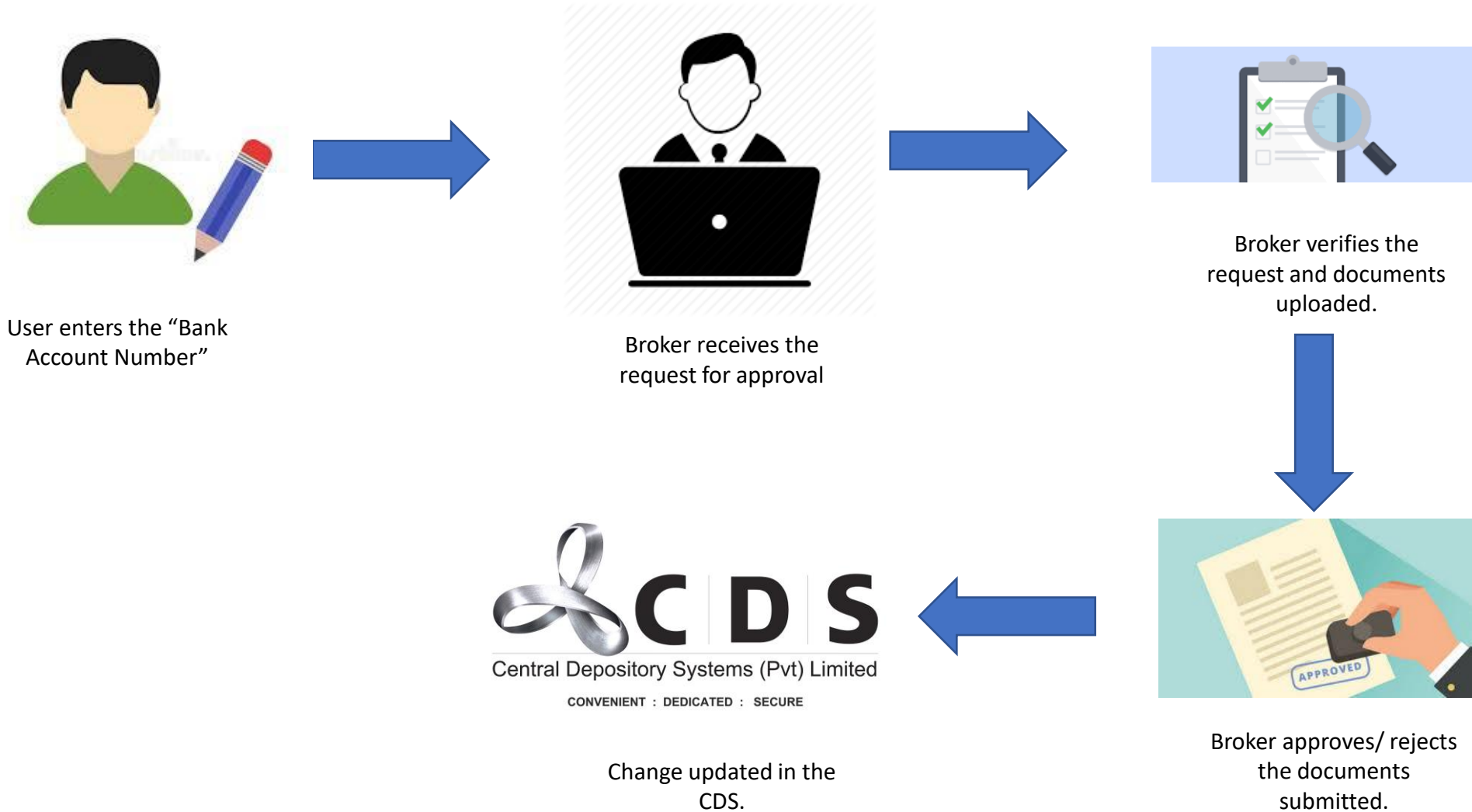


Broker approves/ rejects the documents submitted.



Change updated in the CDS.

Masterfile Change Process flow (Bank Account Number)



Intra Account Transfers



User initiates the transfer request and submit the same to Receiving participant.



Sending participant verifies and confirms/rejects the request.



Receiving participant confirms the request



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Transfer effected in the CDS system.

RESEARCH REPORT ACCESS

**Stockbroker
participants
are able to
upload their
Research
reports
privately and
publicly.**



BENEFITS OF THE RESEARCH PORTAL

For Investors

- Ability to access frequent research reports with ease.
- Ability to view research reports of other stockbroker firms which the investor is not registered with.
- Information available centrally.

For Stockbrokers

- Ability to attract financially literate clientele.
- Stockbroker firms can reach a larger clientele with their publications.



e-IPO

e-IPO



CDS Account holder logs in to the CSE Mobile App



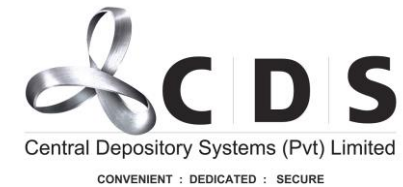
Selects the e-IPO function



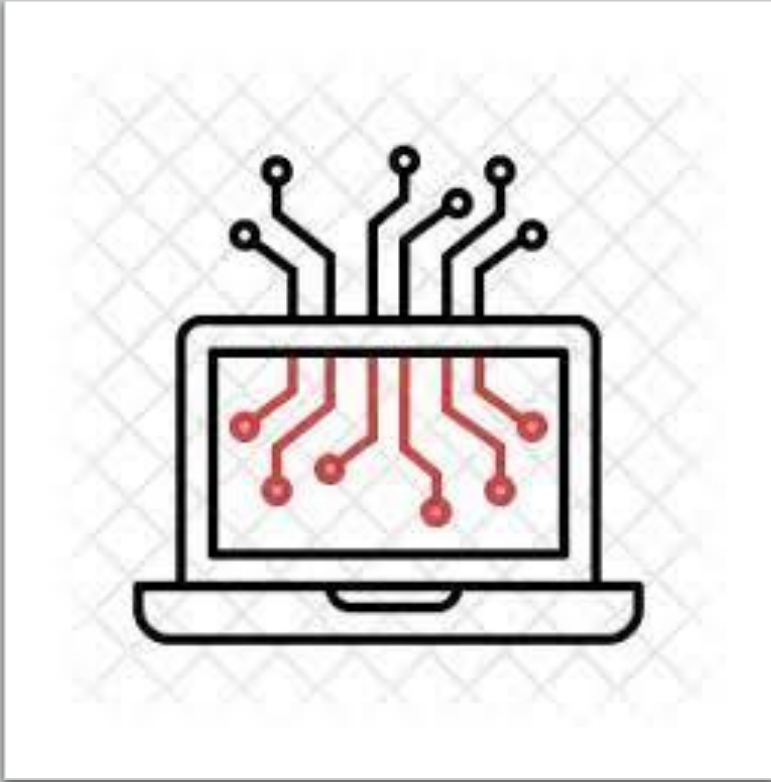
Fills the application with relevant details and quantity applied



Accepting Terms and Conditions.



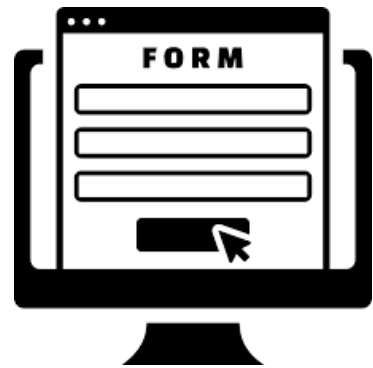
The CDS receives the application



DIGITAL ONBOARDING OF LOCAL COMPANIES TO OPEN CDS ACCOUNTS ONLINE

DIGITAL ONBOARDING OF LOCAL COMPANIES TO OPEN CDS ACCOUNTS ONLINE

Initiator's Registration Process



An authorized person
(Company Secretary/ Director)
initiates the account opening via
Web application
by entering
his/her official capacity.



Authorized person Enters
password, phone No
Email Details.

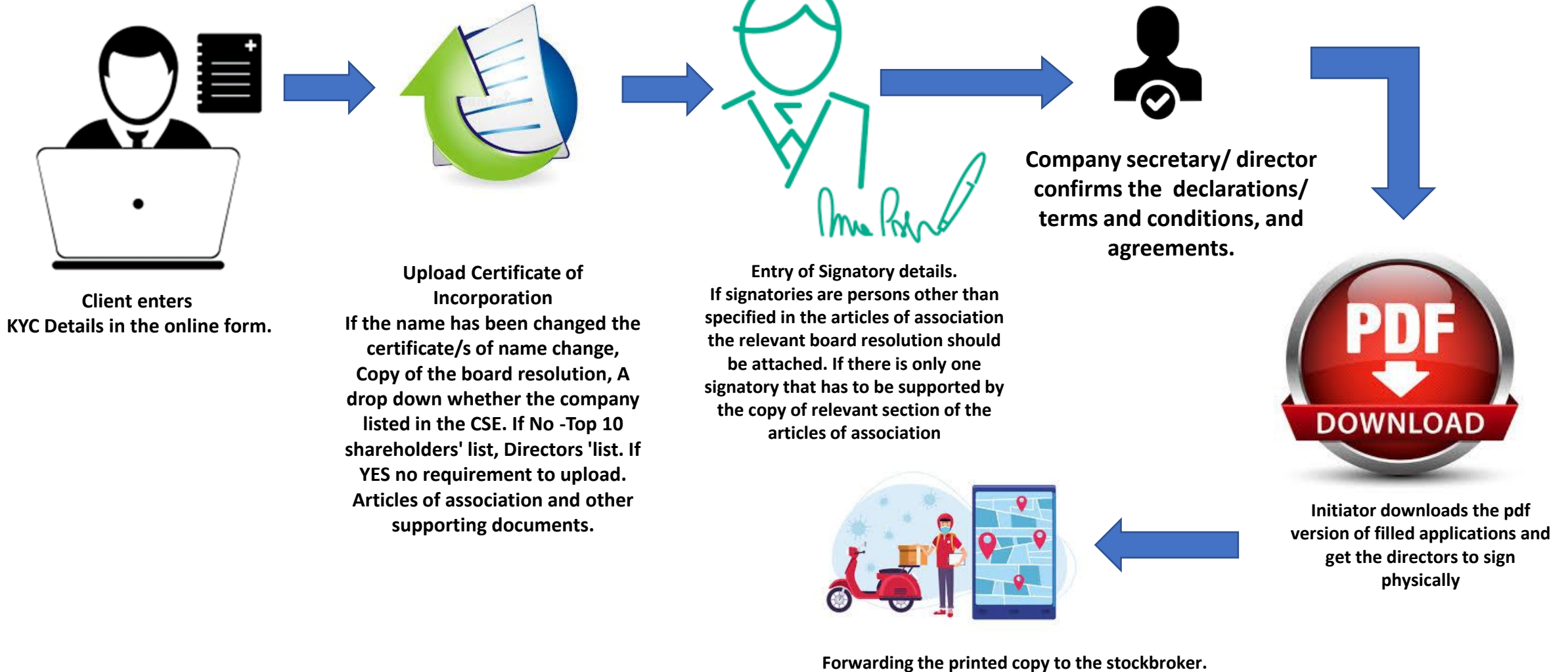


Initiator verifies
the Email

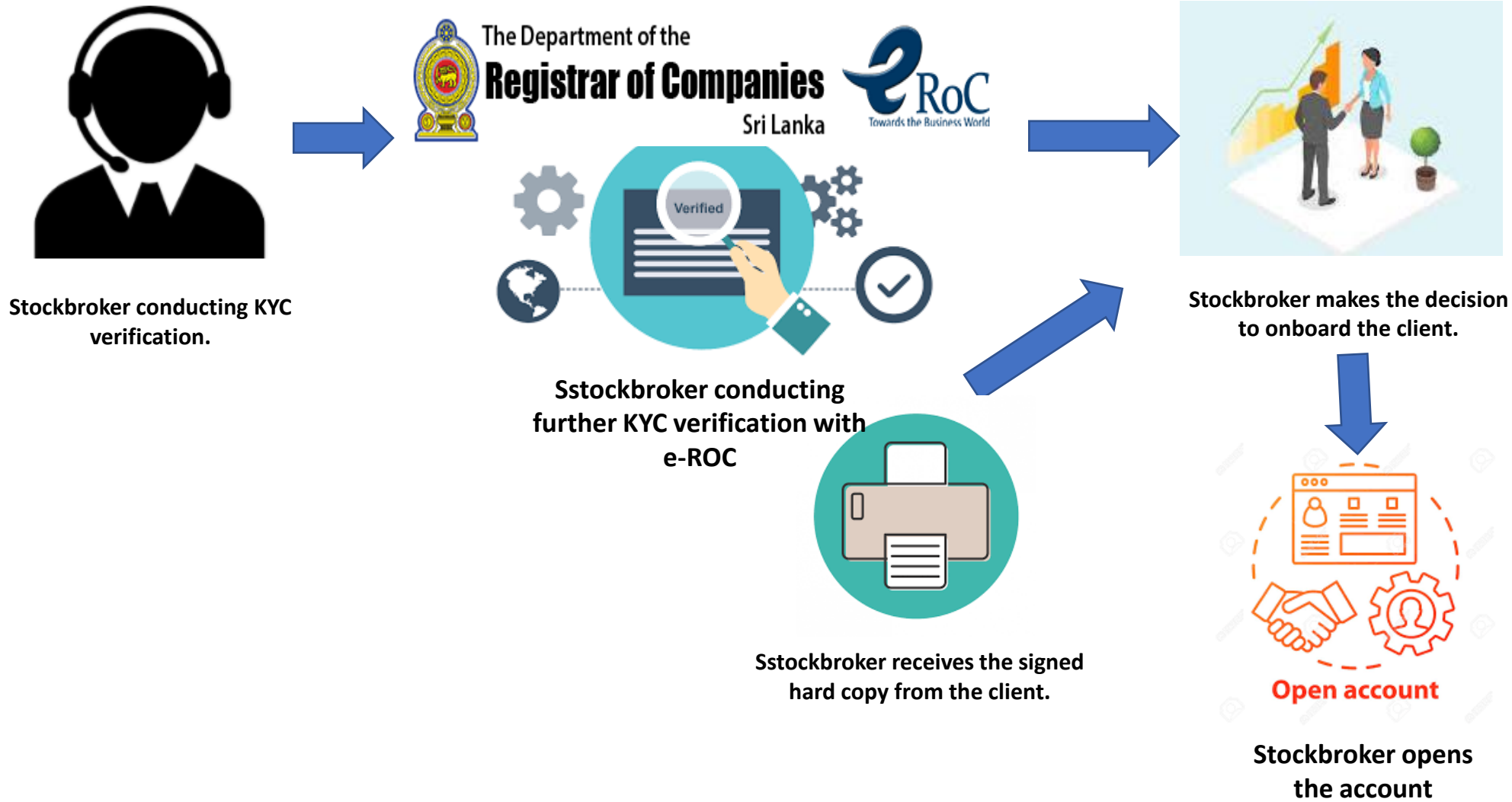


Registration

Account Details Entry via CSE/CDS Web Portal



Stockbroker's approval process

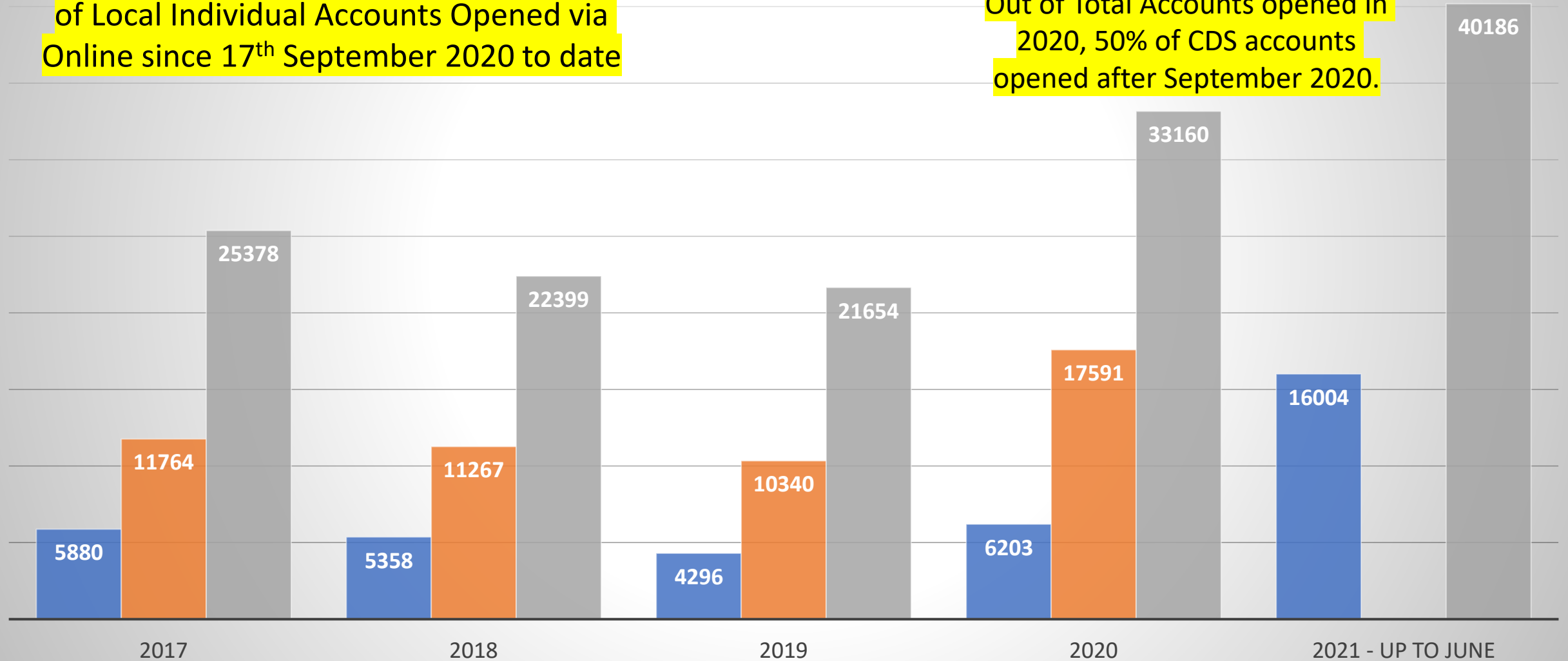


CDS ACCOUNT OPENINGS

■ Up to June each year ■ Total accounts in each year ■ Active Accounts

Out of Total Local Individual Accounts **97%**
of Local Individual Accounts Opened via
Online since 17th September 2020 to date

Out of Total Accounts opened in
2020, 50% of CDS accounts
opened after September 2020.



Age Group Analysis of Clients Opened CDS Accounts via CSE Mobile App

