TDCC’s Fund Clear-
on the enhancement of investor’s right protection

Vincent Chiang, November 2019
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I. Fund Clear
II. Latest Development
III. Future Plan
I. Fund Clear

1. Overview of Fund Clear

01 What is Fund Clear

02 Why Launched

- In accordance to Regulations Governing Offshore Funds
- Provide central platform for all market participants
- To protect investor’s right
1. Overview of Fund Clear (Cont.)

03 What aimed to achieve

- Standardization improvement
- Transparency increase
- Efficiency elevating
- Automation implement
- Financial supervision facilitating
- Report process simplifying
- Investor’s right protection

04 Who benefits

- Investment Trust Enterprise (SITE)/onshore fund house
- Master agent entrusted by offshore fund house
- Fund Distributor

- Financial Supervisory Commission
- Securities Investment Trust & Consulting Association (SITCA)
- Chinese National Futures Association (CNFA)
- Investor
I. Fund Clear

2. Evolution of Fund Clear

- Offshore Fund
- Futures Fund
- Onshore Fund
- Offshore Fund
- Futures Fund
- Onshore Fund (announcement)
- Integration

Timeline:
- 2005
- 2006
- 2007
- 2010
- 2012
- 2016
- 2017
- 2018
- 2019/1
- 2019 2Q

1. Information Reporting and Announcement
2. Transmission and Payment
3. Order Routing
I. Fund Clear

2. Evolution of Fund Clear (Cont.)

We grow
We adapt
We transform

Wider Scope of Services

More Powerful Functions

Larger Market Users
I. Fund Clear

3. Core Structure of Fund Clear

Note:
(1) SITE: Securities Investment Trust Enterprise
(2) SITCA: Securities Investment Trust & Consulting Association
(3) CNFA: Chinese National Futures Association
I. Fund Clear

4. Fund Transmission and Payment Service

- Order (in investor’s name)
- Confirmation
- Notification
- Instruction
- Order (in distributor’s name)
- Confirmation
- Order
- Notification
- Instruction
- Offshore Fund House
- Master Agent
- TDCC Fund Transmission and Payment Platform
- Distributors
- Custodian Bank
- Payment Bank
- Investor
I. Fund Clear

5. Fund Order Routing Service

- Distributors: A, B, C, D, E
- **TDCC**
  - Fund Order Routing Platform
  - Orders
  - Confirmation
- **Service Providers**:
  - BBH
  - Calastone
  - Euroclear
- **Onshore Fund Houses**:
  - A
  - B
  - C
- **Offshore Fund Houses**:
  - A
  - B
  - C

Orders flow from distributors to TDCC, then to service providers, and finally to onshore/offshore fund houses. Confirmations are sent back to distributors and fund houses.
I. Fund Clear

6. Statistics

Units: millions USD
I. Fund Clear
II. Latest Development
III. Future Plan
II. Latest Development

1. Visualized Statistics for easier understanding

Further Strengthen Investor’s Right
Diversify Fund Clear Functions
Satisfy the Growing Needs of Personal Financing

Visualization Statistics Inquiry Function went on line Jan. 2019
II. Latest Development

1. Visualized Statistics for easier understanding (Cont.)
   
   (1) Inquiry items

   ![Image of inquiry items](image.png)
II. Latest Development

1. Visualized Statistics for easier understanding (Cont.)

(2) Graphic Display
II. Latest Development

1. Visualized Statistics for easier understanding (Cont.)
II. Latest Development

1. Visualized Statistics for easier understanding (Cont.)
### II. Latest Development

#### 2. Disclosure of fund asset on ePassbook

<table>
<thead>
<tr>
<th>(1) Smart inquiry- Items added for more comprehensive information</th>
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</thead>
<tbody>
<tr>
<td><strong>Fund Assets</strong></td>
</tr>
<tr>
<td>- distribution</td>
</tr>
<tr>
<td>- trading history</td>
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<th>(2) Message and push notification</th>
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<tr>
<td><img src="image1" alt="Image of mobile application" /></td>
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II. Latest Development

2. Disclosure of fund asset on ePassbook (Cont.)

(3) Graphic display on ePassbook – My assets

- Glance across Asset Types
- Users can catch all details within a swipe
- All the assets can be expressed in market value

*The schematic is for reference only*
II. Latest Development

2. Disclosure of fund asset on ePassbook (Cont.)

(3) Graphic display on ePassbook – Fund Information
I. Fund Clear

II. Latest Development

III. Future Plan
III. Future Plan

Link with external database

Develop user interactive functions

Provide more tailor-made functions

Promotion fund functions of e-passbook
Thank you

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