Digital Infrastructure in Thailand

Creating common platforms to promote collaboration and increase efficiency

Asia Fund Standardization Forum
14 November 2019
Agenda

• Capital Market Digital Gateway

• FundConnext for Mutual Fund Distribution

• Payment Services

• National Digital ID Proxy

• Stamp Duty
SET’s role as the Capital Market Platform

VISION

To Make the Capital Market “Work” for Everyone

GOALS

Sustainability
Competitiveness

MEANS

Enabler
Efficiency
Future of the Capital Market Infrastructure

Utility Platform for Common Needs

Standardization
Optimization
Efficiency

Collaboration
Capital Market Digital Gateway

FRONT END INNOVATION
- More people
- Wider choices
- More accessible
- Faster time to market

BACK END COLLABORATION
- Efficiency
- Standardization
- Digitization

People
Financial Intermediaries
- Securities Firms
- Asset Managers
- Insurance Companies
- FinTech
- Etc.
Service Providers
- Commercial Banks
- National Digital ID
- Revenue Department
- Etc.

Capital Market Digital Gateway
Agenda

- Capital Market Digital Gateway
- FundConnext for Mutual Fund Distribution
- Payment Services
- National Digital ID Proxy
- Stamp Duty
SET in collaborating with mutual fund stakeholders and the Thai regulator to implement the FundConnext to broaden access to mutual funds.
Global connectivity with ISO20022 standard

Thailand

- FundConnext

Foreign Countries

- Clearstream
- Vestima

Distributor

Proprietary Message

Distributor

Proprietary Message

AMC

AMC

AMC

Distributor

Distributor

AMC

AMC
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Payment for Capital Market

Benefits
1. Cost of Fund Management
2. Standardization
3. Operation Efficiency
## Current Payment Services

<table>
<thead>
<tr>
<th>No.</th>
<th>Service</th>
<th>Type</th>
<th>Intra/Inter Bank</th>
<th>Participating Banks</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Payment for securities trading</td>
<td>Batch</td>
<td>Inter Bank</td>
<td>12 Banks (go live Nov 2019)</td>
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<tr>
<td>2</td>
<td>Payment for mutual fund trading</td>
<td>Batch</td>
<td>Intra Bank</td>
<td>5 Banks (CIMB, TISCO, UOB, TBANK, KTB)</td>
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<tr>
<td>3</td>
<td>Payment for any services</td>
<td>Real-time</td>
<td>Intra Bank</td>
<td>4 Banks (SCB, KBANK, BBL, KTB)</td>
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<tr>
<td>4</td>
<td>Payment for any services</td>
<td>Real-time</td>
<td>Intra Bank</td>
<td>1 Bank (SCB)</td>
</tr>
</tbody>
</table>
Payment Real-time for Other Transactions

- Real-time Messaging Transaction
- 1 transaction per request
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National Digital ID (NDID)
Connect to NDID Platform with NDID Proxy

1. Connect directly to NDID

2. Connect to NDID with Digital Gateway (NDID Proxy)

RP: Relying Party
IdP: Identity Provider
AS: Authoritative Source
Step 1: Creating Identity

Verify Citizen ID with DOPA
Step 2: Authenticate and Authorize

Verify identity with IDP via NDID platform

This process includes E-KYC, E-Consent and E-Signature.
Step 3: Provide and confirm personal details

Account Opening Form, Suitability Test and FATCA

Additional documents

Verify with registration code
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• Stamp Duty
Electronic Payment for Stamp Duty

Traditional

Intermediary

1. Buy Stamp Duty and store them

• Cost of storage
• Manual process

Post Office or
Revenue Department

Electronic Gateway

1. Electronic document

Intermediary

2. Electronic Request

3. Electronic Payment

4.1. Electronic Request

4.2. Real-time Notification

5. Stamp Duty Ref ID

Revenue Department

Service Provider

KTB

• Electronic
• Real-time

Cost of storage
Manual process