KSD, Corporate Information Hub of Korea

September 2017 - AECSD
KSD Profile
KSD Profile

**Sole CSD in Korea**
- Established in 1974
- Sole CSD under the FSCMA*
  * Financial Investment Services and Capital Market Act

**Shareholders**: 57 institutions (KRX: 70.4%)

**Locations**
Busan HQ, Seoul Office, Ilsan Center, 3 branches
Hong Kong Representative Office

**Supervision**
- MoF (Ministry of Strategy and Finance)
- FSC (Financial Services Commission)
- FSS (Financial Supervisory Service)
Our Businesses

**Wide Range of Post-trade Services**

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Total Value of Securities processed in 2016

25,858 USD Billion

Total Value of Securities held in 2016

2,947 USD Billion

Total Revenue in 2016

150 USD Million

* USD1 = KRW1200 (End of 2016)
Corporate Information Distribution
Legal Framework

Mandatory collection and distribution under the Act
(FSCMA §314, §315)

CA Information Collection and Distribution

- Mandatory CA notice (Dividends, Warrants, GM, etc.)
  - Corporations → KSD → Participants → Investors

- Mandatory CA exercise
  - Investors → Participants → KSD → Corporations

Shareholder Information Collection and Distribution

- Request shareholder information (GM, Tender offer, etc.)
  - Corporations → KSD → Participants

- Shareholder Information notice
  - Participants → KSD → Corporations
CA Information Distribution
- Domestic Securities
CA Information Distribution
- Foreign Currency Securities
CA Information Distribution
- Overseas Funds

Euroclear: 900+
Clearstream: 700+

Transfer Agent → Global Fund Platform → KSD → AMC → Broker/Distributor → Trustee → Investors

SWIFT (ISO15022) 

CCF (Web)
Transfer Agent Service

Transfer of Titles
- Maintain shareholder’s book
- Notify shareholders of CA
- Issue certificates

Issuing Agent Services
- Provide custody for securities certificate forms
- Issue/distribute shares/bond certificates

Other Agent Services
- Calculate and pay dividends.
- Calculate and pay bond principal and interest

Market Share (No. of TA contracts)

KOSPI
- Hana Bank: 223 (29%)
- KB Bank: 216 (28%)
- KSD: 330 (43%)

KOSDAQ
- Hana Bank: 205 (17%)
- KB Bank: 590 (48%)
- KSD: 434 (35%)

KSD
- KB Bank
- Hana Bank
- Hana Bank
- KB Bank
- Hana Bank
KSD notifies shareholders of CA Information

Total Notifies in 2016 (by Mail) 828 Ten thousand
Data Services
KSD covers most of corporate and securities information in Korean capital market.

**Data Service**

**KSD** covers most of corporate and securities information in Korean capital market.

**CCF**

**API**

**Web**

- **KSD**
  - Corporate
  - Stock
  - Bonds
  - Short-term Financial Instruments
  - ELS/DLS
  - Fund
  - Issuance
  - Deposit
  - Trading
  - Settlement
  - SLB/Repo
  - Redemption
  - CA

- **IB, Vendor, Pension, Securities, Bank, etc.**
- **FinTech Company**
- **Public**
- **Data Feed** (charge)
- **API** (charge)
- **SEIBro** (free)

**11 Domains**

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Data business is claimed to be the ‘New Oil’ for the Exchange

“Market data and index revenues were increased by 29.2% in 2016 … and the revenues now represent the second largest segment in exchange industry…”

(www.thetradenews.com / July 11, 2017)
Also, data business can be the ‘New Oil’ for the CSD

“The data sourced from CSD’s transaction, reference, position and asset service can be a good solutions for financial firms by increasing transparency, mitigating risk and driving efficiencies.”

(www.dtccdata.com)

Data business, new opportunity

Total revenue → $1,712 million
Data business revenue → $319 million (18.6%)

Total revenue → $150 million
Data business revenue → $5 million (3.5%)

Sources: DTCC Annual Report, KSD analysis
The Way Forward
The chance is with us!!

**Data + Technology = New opportunity**
Thank you!

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