



TRUNG TÂM LƯU KÝ CHỨNG KHOÁN VIỆT NAM
VIETNAM SECURITIES DEPOSITORY

SWIFT Messaging Communication: Building a Bridge between VSD and Members

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Vietnam Securities Depository

Contents

- I. Introduction to VSD**
- II. Original architecture**
- III. New architecture with ISO 15022 Standards**
- IV. Development plan**

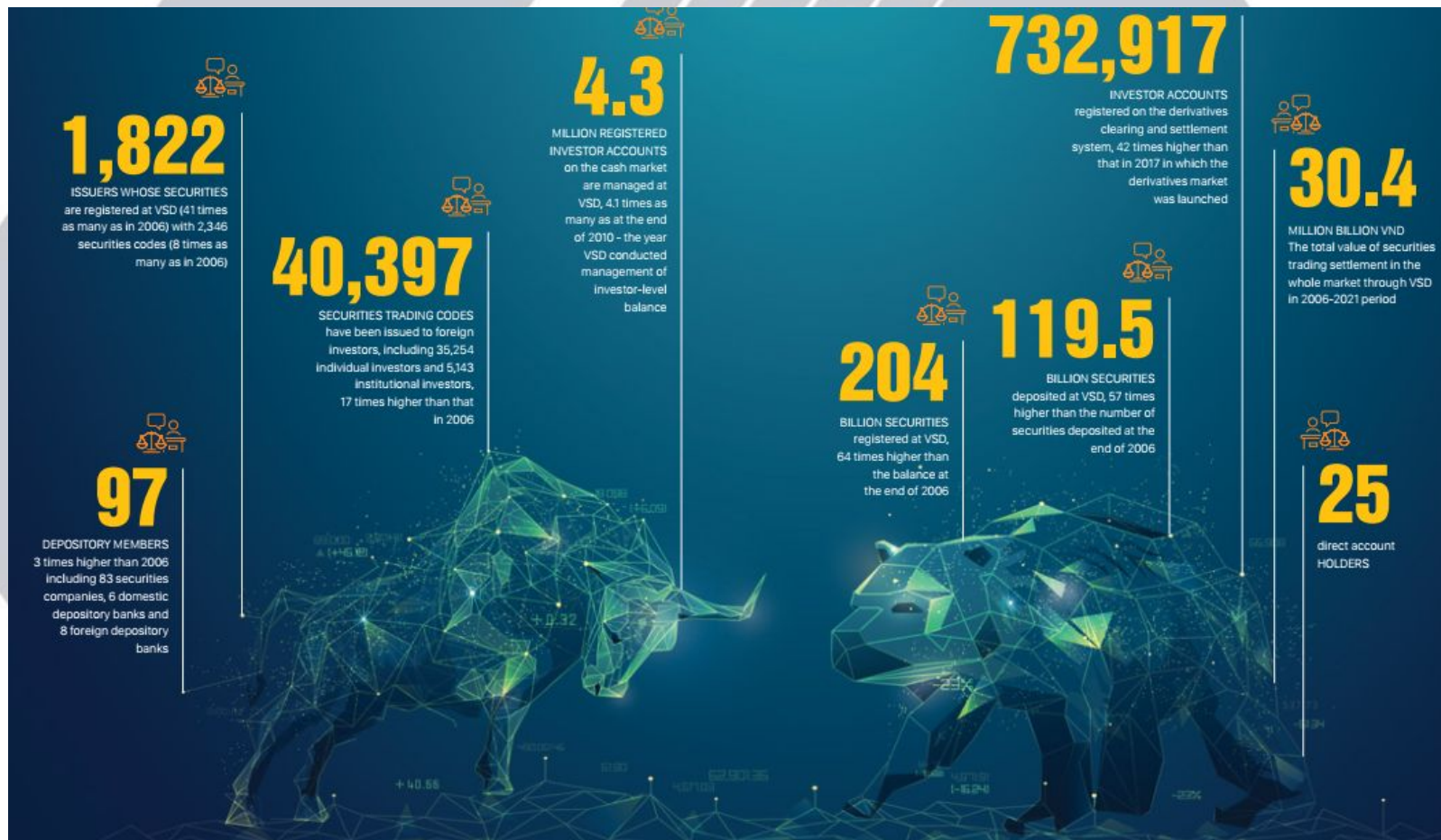


Introduction to VSD



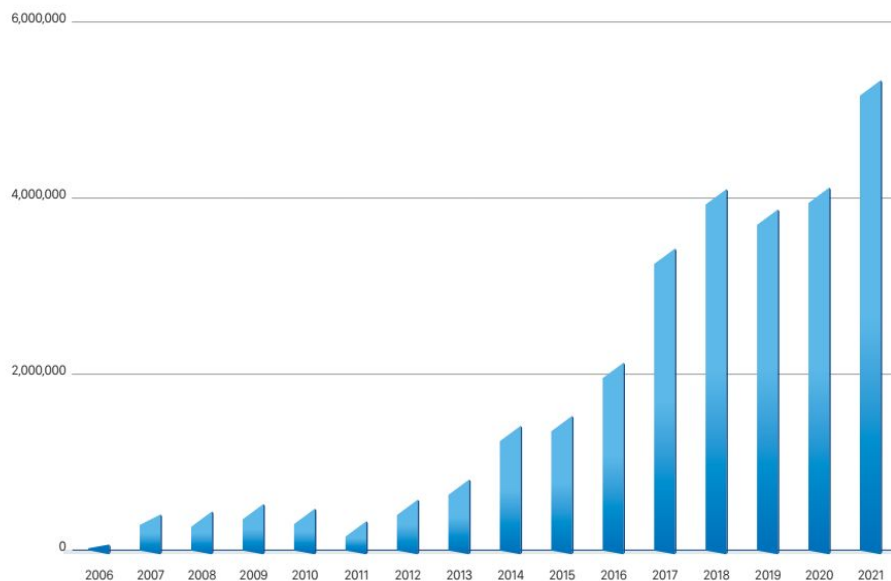
- VSD was established in 2006:
 - State-owned company which provides post-trade activities and other related supporting services in Vietnam.
 - Directly report to Ministry of Finance, regulated by State Securities Commission of Vietnam.

Statistics 2023

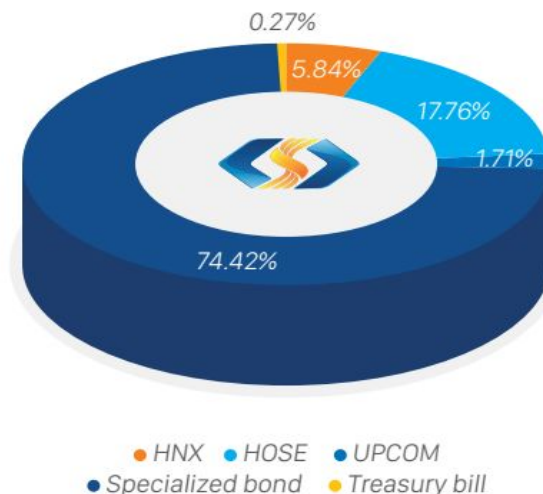


THE CASH MARKET

Total settlement value in VND from 2006 to 2021
(billion VND)

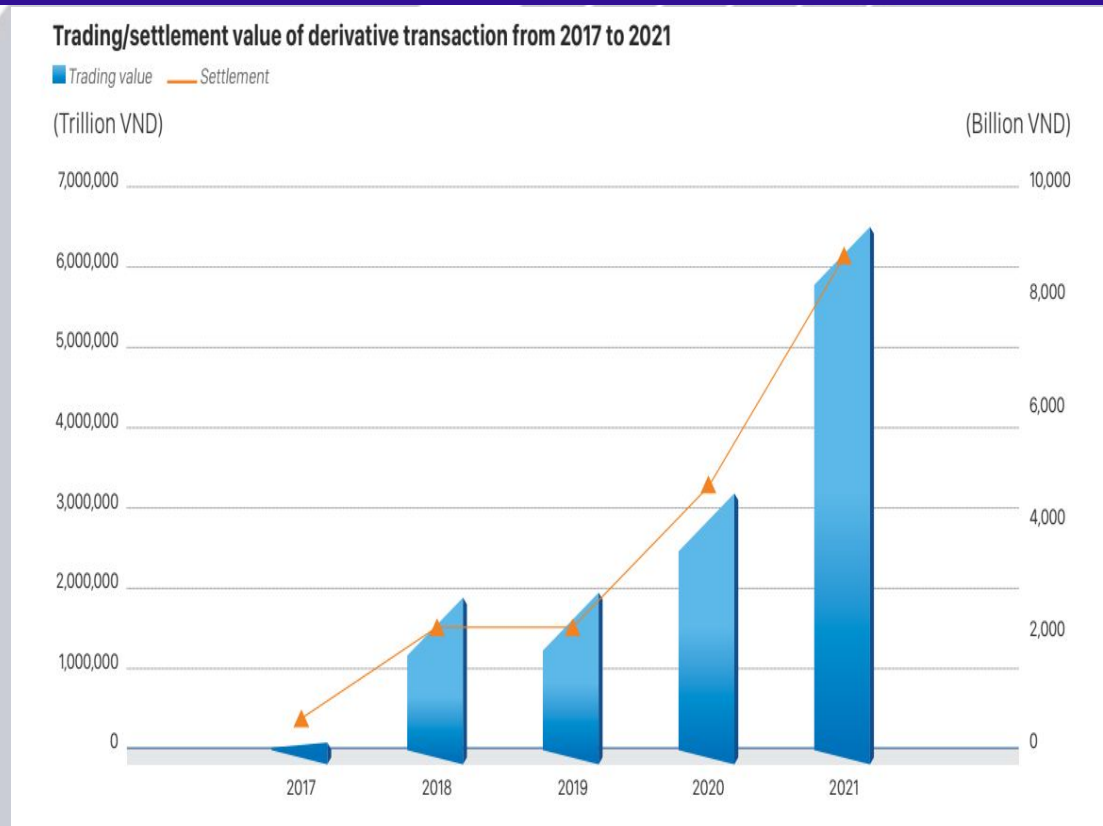


Total settlement value
by market
from 2006 to 2021



In 2021, the settlement value reached the highest ever with more than **5,498,882 BILLION VND (~ 234 BILLION USD)** increasing 1.3 times compared to 2020 and 87 times compared to 2006 when the new market came into operation

THE DERIVATIVES MARKET



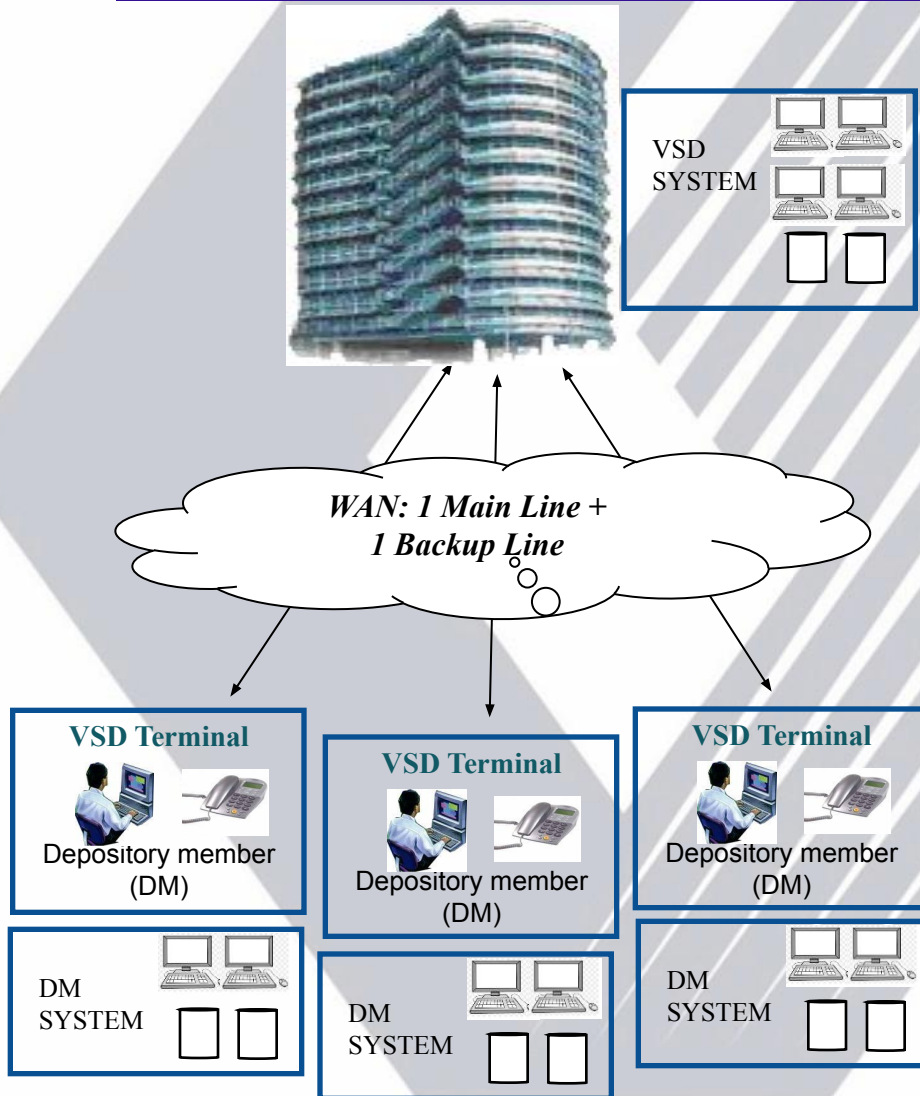
The total value of profit/loss position payment in 2021 reached **8.8 TRILLION VND (~ 375 MILLION USD)** nearly doubled in comparison with 2020 and 19 times as much as that in 2017.

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Original architecture



DM connect To VSD via VSD Terminal using proprietary message format:

- **Simple XML-Format**
- **Developed by VSD to transfer message between VSD Terminal and VSD Core system**
- **3 Types of message format (transaction, report and query message format)**
- **Using local, not public to DM.**

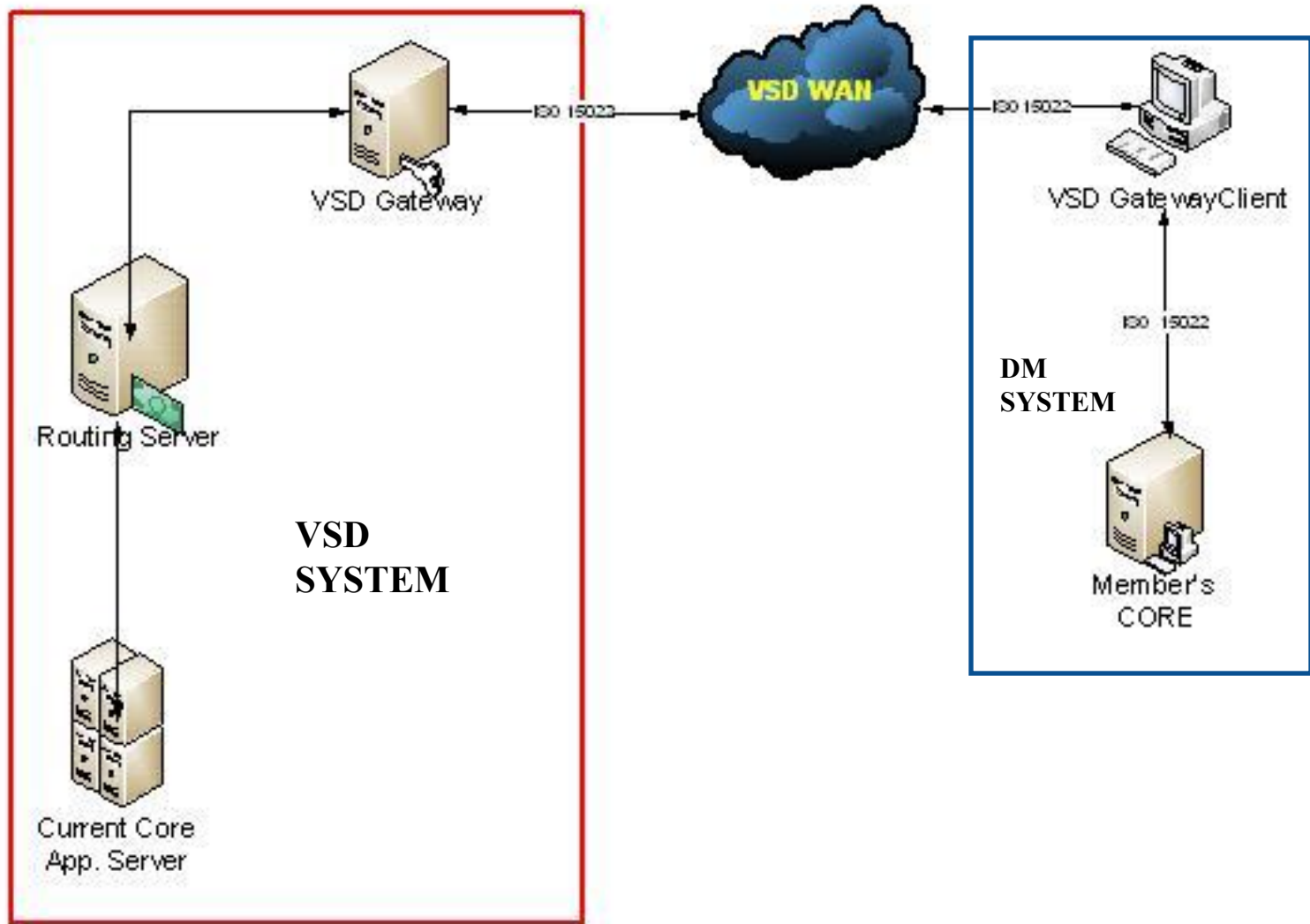
Disadvantages

- **Data mismatch (data input in DM system and then VSD Terminal)**
- **Proprietary message format not compliant with international standards (FIX, ISO,...), difficulties in connecting to international organization, cross-border trading,...**
- **Complexity of managing VSD Terminals located in DM (with more than 300 VSD Terminal)**
- **Complex business processes, DM staff must follow too many steps to complete one business process**
- **Difficulties in application upgrades**

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Moving to Core2Core business with ISO 15022



Benefits

- **Data integrity in DM system and VSD system (data input ONLY in DM system)**
- **More control in business data security**
- **Using ISO 15022 Message format compliant with international standards, easy to connect to international organization.**
- **No need to arrange resources to manage VSD Gateway Client located in DM**
- **Shorten business processes steps**
- **Easy to upgrade VSD Client (DM manage VSD Client, over 300 VSD Terminal vs. 100 VSD Gateway Client)**

Milestones

- **02/2015** : Start working with SWIFT to transform business process into ISO 15022 Message format.
- **01/07/2015** : Start using ISO 15022 Message format in cash market
10 DMs join the system in phase 1

Business process applied: account opening/closing, securities deposit/withdrawal, transfer of securities, confirmation of trading results, confirmation of right distribution list.

- **21/07/2015**: VSD held the Announcement Ceremony - Adoption of ISO 15022 Message to the Gateway of VSD.
- **10/08/2017**: Derivatives market go live using ISO 15022 Message format.
- **03/2021**: Start using ISO 15022 Message format in Open-Ended Funds services.
- **Now**: 100% DMs join the system.

Announcement Ceremony - Adoption of ISO15022 Message to the Gateway of VSD



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Development plan

- Communication Portal for Issuers.
- Brand new CORE for securities registration, depository and settlement.



Thank you