CSDI's Mutual Funds Platform

FundReg

Development, Launch, and Prospects

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Investors challenges
Decentralized registration

Electronic forms

e-KYC: CIGS
Supervisory Challenges
Unregistered units might lead to fraud, increasing the probability of untraceable asset. This can facilitate money laundering, hiding, and repudiation of legal actions. Lower trust must be upon CSDI.
Legal Environment

1. Securities Market Act
2. Development of New Financial Instruments and Institution Act
3. Management and Protection of Housing Construction and Supply Act
4. Comprehensive Regulation of Investment Funds
5. Article of Association of Mutual funds
Registration license
Securities & Exchange Organization
Registration
Companies Registration Office
Supervision
Securities & Exchange Organization
Anti Money Laundering (AML)

1. Anti Money Laundering Act
2. Regulation of Maintaining and Removing Documents
3. Regulation of Customer Identification
Two-Step Identification

Initial

Complete

KYC

AML
Comprehensive Information Gathering System (CIGS)
- conventional KYC
- anti-money laundering goal
- transparency
Regulatory compliance

Accelerated onboarding

Efficiency

Advantages

Client experience
Registration in CIGS

- Filling out forms
- Verification
- Authentication
Necessary information

Individual profile

Job information

Financial information

Bank account

Agent profile

individual
2M Mutual Funds

23% 9M investors 99% individual

2M Funds
The percentage of mutual fund types quantities

- Fixed Income: 47%
- Equity: 40%
- Mixed: 13%

Asset Value of mutual fund

- Fixed Income: 97%
- Equity: 1%
- Mixed: 2%
Transfer Agent Model → CSD MODEL
Business plan: FundReg
Launch

Fund → control → registration

Post Trade

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unit holders
unit volume
Subscription
Legal Action
**Redemption**

Request → NAV
No Settlement

Profiling

Post Trade

Warning Notification

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CIGS
Challenges

- Delay (not real-time)
  - Update the statement
  - Pay

- Creating trade account
  - CIGS
Decentralized registration
Electronic forms
e-KYC: CIGS
Centralized registration
Centralized Settlement
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