

CSDs: TSD (Thailand)

Date: 19 Mar 2010

SMI Markets: Thailand

CMIRR Markets: Thailand

TSD and TCH Development Projects - Update

Further to our previous market newsflash, the Thailand Securities Depository (TSD) and the Thailand Clearing House (TCH) met with market participants on 10 March 2010 to discuss updates related to the Pre-Settlement Matching System (PSMS), and plans to improve corporate actions announcement. This is part of the projects to enhance straight-through-processing (STP) in post-trade operations.

PSMS:

The TCH completed phase I (file upload and download from PTI system) early this month, and now moves to phase II auto pre-matching, as planned. Currently, pre-matching is by phone. The TCH discussed mandatory matching criteria with market participants. However, no final solution has been reached, and further discussion is required.

Corporate actions announcement:

To improve STP rate in corporate actions announcement, TSD proposed three optional announcement channels, i.e. SWIFT, text file, or xml file, in addition to the existing SETSMART channel. The optional channels, standard template, and common field in the message were discussed. This initiative is expected to be implemented in Q4 2010.

CSD Risk Impact

TSD (Thailand)

CSD Rating: A+

CSD Flash Impact: On Watch

Impacted Risk Type: Liquidity Risk

Current Rating = A+

Flash Impact = On Watch

Impacted Risk Type: Operational Risk

Current Rating = AA-

Flash Impact = On Watch

Impacted Risk Type: Asset Servicing Risk

Current Rating = AA-

Flash Impact = On Watch

PSMS will automate pre-matching, and eliminate errors associated with manual pre-matching of settlement instructions, consequently reducing the risk of failed trades. The optional channels for corporate actions announcement are expected to improve announcement timing and reduce errors associated with manual operations.

Overall, the impacts on Liquidity, Asset Servicing and Operational Risks are 'On Watch' pending further developments of the projects.

Market Information Impact

Thailand

This information affects the data contained in the Corporate Actions and Settlement sections of the Securities Market Information Service.

Infrastructure Risk Ratings Impact

Thailand

Market Rating: A+

Market Flash Impact: On Watch

Impacted Risk Type: Liquidity Risk

Current Rating = A

Flash Impact = On Watch

Impacted Risk Type: Operational Risk

Current Rating = A

Flash Impact = On Watch

Impacted Risk Type: Sovereign Risk

Current Rating = BBB

Flash Impact = On Watch

PSMS will automate pre-matching, and eliminate errors associated with manual pre-matching of settlement instructions, consequently reducing the risk of failed trades. The optional channels for corporate actions announcement are expected to improve announcement timing and reduce errors associated with manual operations.

Overall, the impacts on Liquidity, Asset Servicing and Operational Risks are 'On Watch' pending further developments of the projects.

Related Flash: [TSD's Development Projects, 01/07/2009 \(click to view\)](#)

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