**Benefits of End-to-end digitalization of the Colombo Stock Market for Investors**

Investing **in the stock market** is a great way to create **wealth but** typically requires planning, patience and a long-term commitment. To increase investor participation and make the stock market accessible, affordable and convenient for investors to channel their funds and grow their wealth the end-to-end activities of the Sri Lanka Stock Market was digitalized recently. A joint committee comprising of representatives of the SEC and CSE was instrumental in digitalization of the market.

As a result, investors will be able enjoy many digital investment services including the ability to open a CDS Account online, carry out stock market transactions from anywhere without going to a stock broker firm, e- dividend registration services, receive contract notes and CDS statements in electronic form etc. To derive maximum benefits from the new features it is crucial that investors stay well informed and the following is an attempt to provide investors with information of the new developments in the stock market.

**Digital on-Boarding (open CDS Accounts online)**

Investors who wish to trade in securities listed on the Colombo Stock Exchange must open a CDS account with a stockbroking company. Securities that are purchased will be credited to the investor’s CDS account. Likewise, when securities are sold, these securities will be debited from the CDS accounts.

Until very recently face - to–face interaction between the investor and stockbroker was necessary to open a CDS account. With the end-to-end digitization of the Colombo Stock now, you can open a CDS Account through the mobile application. Moreover, stockbrokers are able to perform online Know Your Customer (KYC) verifications and direct National Identity Card verification with the Department of Registrar of Persons online. CDS account opening no longer require a wet signature, electronically signed account opening and other requisite documents from investors is sufficient.

At present investors are required to provide their mobile phone number, email address and bank account details when opening a CDS account to be able to access a host of new services offered by the Colombo Stock Exchange (CSE) with the digitalization of the stock market.

**Conversion of Paper-Based Statements to Electronic Form**

When you wish to purchase securities in a particular company you need to inform your stock broker of the name of the company, price and amount of shares that you wish to purchase. Once the purchase is complete you will receive a Bought Note from the stock broking firm. In the same manner if you wish to sell securities you will have to inform your broker of the price, quantity and the name of the company. Once the stockbroker sells your securities you will receive a Sold Note.

The CSE has taken steps to send a trade alert via SMS to investors on a daily basis at the end of each trade day, notifying them of the transactions that were carried out through their Securities Accounts in the CDS. In addition, at present clients are able to receive contract notes (Bought and Sold notes) by the end of the trade day by electronic means. Prior to the introduction of these facilities, printed Bought Notes and Sold Notes were posted to clients on the following day.

Investors can now subscribe to CDS account statements pertaining to their account to be sent to their e-mail address. Once an account holder has subscribed for this facility, he will receive monthly statements every month if there is a balance in the account.

Introduction of the SMS trade alert system and electronic CDS statement will enable investors to identify any discrepancies with regard to transactions and bring it to the notice of their stock broker firms without delay. These services are provided to investors free of charge and will enable them to determine whether stockbrokers have followed instructions properly when executing trades on their behalf.

In addition, investors will be able to derive the following benefits as a result of the new measures introduced by the CSE:

* Convenience
* Investors are able to get all the information of the transactions done by the end of the day without having to experience postal delays and losses
* Ease of storing digital data
* Better data protection
* Investor himself is able to access his trade information when it is emailed directly to his personal email

Along with the aforementioned facilities the CDS is expected to offer the CDS eConnect facility to account holders through personal computers, tablet PCs or mobile devices which will provide them transactions details in near real-time, examine CDS account master record details, view monthly reports and request additional monthly statements for prior months.

**E- Dividend Service**

A cash dividend is a payment made by a company out of its earnings to investors in the form of cash (cheque or electronic transfer).  The E- Dividend service allows an issuer to electronically pay cash dividends directly into the investor’s bank account instead of making payment via bank cheque.

Benefits of the E-Dividend Service

* Faster access to dividends which are credited directly into your bank account
* Convenience – eliminates the need to go to a bank
* One-off provision of bank account details for all listed companies
* Better account management with the option to consolidate the dividends from all your CDS accounts into one bank account
* Misplaced, lost or expired cheques will no longer be an issue

**CSE Mobile Application -** **Convenience at your fingertips**

The CSE mobile application grants you access to a range of unique features including the following:

• Digital account opening and onboarding

• Real time market updates

• Graphs and Charts

• Research and data

• Interactive educational content

• Analytical tools

• Corporate news and videos

• Users with multiple CDS accounts can easily access all account information through one app.