

Content

Title :	Regulations Governing Certification of Corporate Stock and Bond Issues by Public Companies <b>Ch</b>
Date :	2009.05.21
Legislative :	Amended and promulgated on August 18, 1999 per order Ref. No. (88) Taiwan-Finance-Securities (I) 03025, and Economics (88) Commercial 88217008 Name and all eight articles amended and promulgated on 30 December 2000 per Order Ref. No. (89) Taiwan-Finance-Securities (I) 92314 of the Securities and Futures Commission, Ministry of Finance, for enforcement from the date of promulgation (Original name: Rules Governing Certification of Corporate Stock and Bond Issues) 11. Articles 3 and 4 amended and promulgated on 8 March 2002 per Order Ref. No. (91) Taiwan-Finance-Securities (I) 001519 of the Securities and Futures Commission, Ministry of Finance 12. Article 4 amended and issued on 3 March 2006 per Order No. Financial-Supervisory-Securities-I-0950000989 of the Financial Supervisory Commission, Executive Yuan 13. Articles 3, 4, and 6 amended and issued 21 May 2009 per Order No. Financial-Supervisory-Securities-I-0980023900 of the Financial Supervisory Commission, Executive Yuan
Content :	<b>Article 1</b> These Regulations are prescribed in accordance with Article 35 of the Securities and Exchange Law.  <b>Article 2</b> The certification of stocks, corporate bonds, certificates evidencing rights to new shares, certificates evidencing payment of stocks, and beneficiary certificates (hereinafter "securities") issued by public companies (hereinafter "companies" ) shall be made by banks or trust and investment companies permitted by law to serve as registrars for issues of stocks or bonds. Securities under the preceding paragraph for which no physical ("scrip") security is printed to represent the rights thereof are exempt from the requirement of certification.  <b>Article 3</b> A company, and any lead underwriter, recommending securities firm, or agent institution for stock affairs engaged by such company, shall not handle the certification of securities the current issue of which is under its management. Certification of stock of a financial holding company may not be handled by a subsidiary of such company. "Subsidiary" in the preceding paragraph means a subsidiary as defined in Article 4 of the Financial Holding Company Law.  <b>Article 4</b> The certification of securities shall be processed as follows: 1.The certification period for a certification institution processing the new issuance of securities shall not exceed five days starting from the date of consignment. In addition, before proceeding with the certification, review and a record shall be made of the corporate registration chart (or corporate registration card), and of the content, paper quality, company specimen chop, serial number, par value, volume, and total issuance amount of the securities in question. 2.The certification institution shall separately send a copy of the specimen chop and the certified stock certificate to the Ministry of Economic Affairs and the municipal government directly under the

jurisdiction of the Executive Yuan in the municipality where the company is located. Where the securities are traded on a centralized exchange, a copy shall be sent to the stock exchange for distribution by it to all securities firms. Where they are traded over-the-counter, a copy shall be sent to the ROC Over-the-Counter Securities Exchange ( "ROSE" ) for distribution by it to securities firms which have received approval to engage in over-the-counter trading, and shall be kept available at such securities firms. Where the securities are corporate bonds, the stock exchange and ROSE are not required to distribute the copies to the securities firms.

3. The total volume of securities certificates that are certified shall be no more than the volume of securities that have been actually issued and paid for and also within the total issuance volume approved by the Competent Authority.

4. Where application is made for the certification of replacement certificates of publicly issued securities, the applicant shall first obtain a court judgment declaring the original securities certificate void.

5. Securities that are issued within one offering shall be certified by a single certification institution.

6. When performing certification of shares held by promoters, the certification institution shall check whether the shares bear a full and accurate statement that the shares shall not be transferred within one year after incorporation pursuant to Article 163 of the Company Law; provided this restriction shall not apply where it is otherwise provided by law or regulation that the shares shall not be subject to the restriction on transfer.

Where replacement securities must be issued because of merger, consolidation, split, or other reason, the certification institution shall verify that the securities have been voided by clipping before carrying out certification of the new securities.

Where a company buys back or redeems securities and cancels them, it shall void them by clipping after carrying out amendment registration procedures, and file a report with the original certification institution.

Where scripless securities are changed to scrip securities, the certification institution shall carry out certification on the basis of the document evidencing termination of registration issued by the centralized securities depository enterprise.

#### **Article 5**

Where securities deemed as publicly issued under Article 24 of the Securities and Exchange Law and securities undergoing the supplemental public issuance procedure pursuant to Paragraph 1 of Article 42 have not been certified pursuant to these Regulations, the company shall carry out supplemental certification procedures. The securities may not be consigned for trading nor provided for settlement until such supplemental certification has been completed.

A company carrying out supplemental certification under the preceding paragraph shall notify each shareholder of such supplemental certification and publicly announce it.

#### **Article 6**

The remuneration given for the certification of securities shall be mutually agreed between the issuing company and the certification institution based on the following principles:

1. The maximum remuneration for the certification of newly issued securities shall be 0.03 percent of the total par value of the issued securities. However, where the amount derived using the preceding method is less than NT\$3,000 or more than NT\$500,000, the remuneration shall be NT\$3,000 or NT\$500,000 as the case may be.

2. The maximum remuneration for the certification of substitute, replacement, combined or split securities shall be 0.03 percent of the total par value of the issued securities. However, where a securities central depository enterprise sends securities for substitution due to a merger of companies, the maximum remuneration shall be 0.003 percent of the total par value of the issued securities, and shall further not exceed NT\$50,000 per instance.

3.The maximum remuneration for supplemental certification of securities referred to in Paragraph 1 of the preceding Article shall be no more than NT\$500,000.

**Article 7**

Related personnel who processes the certification of securities certificates shall be civilly and criminally liable if they violate any provisions of the laws.

**Article 8**

These Regulations shall come into effect on the date of promulgation.

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Data Source : Financial Supervisory Commission Laws and Regulations Retrieving System