


Content

Title :	Standards Governing the Establishment of Futures Trust Enterprises 
Date :	2014.05.29
Legislative :	<ol style="list-style-type: none"><li>1. Full text of 49 articles adopted and issued per 10 July 2007 Order No. Financial-Supervisory-Securities-VII-0960034884 of the Financial Supervisory Commission, Executive Yuan; for enforcement from the date of issuance</li><li>2. Articles 12, 33, and 44 amended and issued per 30 October 2008 Order No. Financial-Supervisory-Securities-VII-0970055757 of the Financial Supervisory Commission, Executive Yuan</li><li>3. Article 5 amended and issued per 4 February 2010 Order No. Financial-Supervisory-Law-09900542800 of the Financial Supervisory Commission, Executive Yuan</li><li>4. Article 15 amended and issued per 29 May 2014 Order No. Financial-Supervisory-Securities-Futures-1030013322 of the Financial Supervisory Commission</li></ol>
Content :	<p>Chapter I General Principles</p> <p>Article 1 These Standards are adopted pursuant to Article 82, paragraph 3 of the Futures Trading Act ("the Act").</p> <p>Article 2 The term "futures trust enterprise" as used in these Standards means an enterprise that conducts the business of offering futures trust funds and issuing beneficial certificates, and of utilizing futures trust funds to engage in futures trading, and trading of, or investment in, futures-related spot instruments or other items as approved by the competent authority.</p> <p>Article 3 An enterprise shall obtain the competent authority's permission and issuance of a permission license before it may operate as a futures trust enterprise. However, an enterprise in another line of business that applies to concurrently operate a futures trust enterprise shall do so in compliance with the provisions in Chapter III. No enterprise may use the name of "futures trust enterprise" or any name similar thereto without having obtained the permission referred to in the preceding paragraph.</p> <p>Article 4 The name of a futures trust enterprise shall clearly indicate it as such by containing the words "futures trust". However, this rule does not apply to an enterprise in another line of business that concurrently operates a futures trust enterprise pursuant to Chapter III.</p> <p>Article 5 A person who falls in any of the categories in the following subparagraphs may not serve as a promoter, director, supervisor, managerial officer, department supervisor, or associated person of a futures trust enterprise. If already serving in such capacity, the person shall ipso facto be dismissed:</p>

1. Has previously, by a final and unappealable judgment, been convicted of a crime under the Organized Crime Prevention Act, and has not completed serving the sentence, or 5 years have not yet elapsed since completion of the sentence, expiration of the probation period, or pardon.
2. Has previously, by a final and unappealable judgment, received a sentence of imprisonment for 1 year or more for a crime of fraud, breach of trust, or misappropriation, and has not completed serving the sentence, or 2 years have not yet elapsed since completion of the sentence, expiration of the probation period, or pardon.
3. Has previously, by a final and unappealable judgment, received a sentence of fixed-term imprisonment or greater severity for a crime of misappropriation related to public function or occupation and has not completed serving the sentence, or 2 years have not yet elapsed since completion of the sentence, expiration of the probation period, or pardon.
4. Has, by a final and unappealable judgment, been convicted of a crime under the Securities and Exchange Act or the Securities Investment Trust and Consulting Act, and has not completed serving the sentence, or 3 years have not yet elapsed since completion of the sentence, expiration of the probation period, or pardon.
5. Has, by a final and unappealable judgment, received a criminal sentence of imprisonment or greater severity for accepting deposits, managing trust funds or public property, or handling domestic or foreign exchange/remittance business in violation of Article 29, paragraph 1, of the Banking Act and has not completed the sentence, or 3 years have not yet elapsed since completion of the sentence, expiration of the probation period, or pardon.
6. Has, by a final and unappealable judgment, received a sentence of fixed-term imprisonment or greater severity for engaging in trust business in violation of Article 33 of the Trust Enterprise Act and has not completed serving the sentence, or 3 years have not yet elapsed since completion of the sentence, expiration of the probation period, or pardon.
7. Has, by a final and unappealable judgment, been convicted of a crime under the Act, Company Act, Foreign Exchange Control Act, Insurance Act, Credit Cooperative Act, or Financial Holding Company Act, and has not completed serving the sentence, or 5 years have not yet elapsed since completion of the sentence, expiration of the probation period, or pardon.
8. Has been adjudicated bankrupt and whose rights have not been reinstated, or has previously served as a director, supervisor, managerial officer, or in another equivalent position, of a juristic person at a time when it was adjudicated bankrupt, and either 3 years have not yet elapsed since the bankruptcy was concluded, or the terms of bankruptcy settlement have not been fulfilled.
9. Has been blacklisted after dishonoring of a negotiable instrument, and remains blacklisted.
10. Lacks legal capacity to act, has limited legal capacity to act, or has been declared by a court to be placed under assistance, where such declaration has not yet been voided.
11. Has been sanctioned by dismissal from duties under Article 56, or subparagraph 2 of Article 66 of the Securities and Exchange Act, or sanctioned by dismissal from duties under subparagraph 2 of Article 103, or

Article 104, of the Securities Investment Trust and Consulting Act, and 3 years have not yet elapsed since the sanction.

12. Has previously served as a director or supervisor of a securities firm, securities investment trust enterprise, or securities investment consulting enterprise, and during the term of such position, the enterprise was sanctioned by suspension of business or voidance of its business permission under subparagraph 3 or 4 of Article 66 of the Securities and Exchange Act, or was sanctioned by suspension of business or revocation of its business permission under subparagraph 4 or 5 of Article 103 of the Securities Investment Trust and Consulting Act, and 1 year has not elapsed since the sanction.

13. Has been subject to removal or dismissal from duties under Article 100, paragraph 1, subparagraph 2, or Article 101, paragraph 1 of the Act, and 5 years have not yet elapsed since the sanction.

14. Has previously served as a director or supervisor of a futures commission merchant, managed futures enterprise, or futures advisory enterprise and, during the term in that capacity, the enterprise concerned was sanctioned by suspension of its business or voidance of its business permission under Article 100, paragraph 1, subparagraph 3 or 4 of the Act, and 1 year has not yet elapsed since the sanction.

15. Has been discovered to have allowed the use of his/her/its name by another person using it to act as a promoter, director, supervisor, managerial officer, or associated person of a futures trust enterprise.

16. Has been proven by factual evidence to have engaged in or been involved in any other activity that is in bad faith or improper, showing the person to be unsuited to engage in futures enterprise business.

The term " department supervisor" in the preceding paragraph means a supervisor of any department engaged in any business specified in subparagraphs 1 to 5 of Article 4 of the Regulations Governing Futures Trust Enterprises or of a finance or accounting department.

If a promoter, director, or supervisor is a juristic person, paragraph 1 shall apply mutatis mutandis to the performance of duties by the juristic person's representative or designated representative.

#### Article 6

A promoter of a futures trust enterprise may not, within 1 year from the date of the company's incorporation, serve as a promoter of any other futures trust enterprise.

One who has previously served as a promoter of a futures trust enterprise in accordance with the qualification requirements set out in Article 12 may not, within 3 years beginning from the date the competent authority issued the permission license to that futures trust enterprise, serve as a promoter of any other futures trust enterprise.

#### Article 7

A director or supervisor of a futures trust enterprise or a shareholder holding 5 percent or more of the total number of issued shares thereof may not serve as a promoter of any other futures trust enterprise unless otherwise provided by the competent authority.

Anyone that has a relationship of affiliated enterprise as defined in Chapter VI-I of the Company Act with respect to a director, supervisor, or shareholder holding 5 percent or more of the total number of issued shares,

of a futures trust enterprise, may not serve as a promoter of any other futures trust enterprise unless otherwise provided by the competent authority.

The calculation of the shareholding of a shareholder holding 5 percent or more of the total number of issued shares under the preceding two paragraphs shall include shares held by the shareholder's spouse and minor children and shares held through nominees.

"Held through nominees" in these Standards means that the following criteria are met:

1. Directly or indirectly providing the stock to another person or providing funds to another person for the purpose of purchasing the stock.
2. Having rights/interest in the management, use, or disposal of the stock held by the other person.
3. Being the principal to whom belong, in whole or in part, profits or losses of the stock held by the other person.

#### Article 8

A futures trust enterprise shall adopt an internal control system pursuant to the Regulations Governing the Establishment of Internal Control Systems by Service Enterprises in Securities and Futures Markets adopted by the competent authority and to the Rules Establishing Standards for the Internal Control Systems of Futures Trust Enterprises adopted by the Chinese National Futures Association ("the Association") or other futures-related organization designated by the competent authority.

#### Article 9

The site and facilities for business operations by a futures trust enterprise shall comply with the standards for sites and facilities set out by the Association.

#### Article 10

Any document required by these Standards that is in a foreign language shall be accompanied by a Chinese-language translation.

Any document furnished by a foreign national, with the exception of written statements or photocopies of passports, shall have been legalized by an overseas ROC representative office, or certified by a court or government agency, or legalized by a statutory notary agency, in the home country of the foreign national.

### Chapter II Establishment of Futures Trust Enterprises

#### Article 11

A futures trust enterprise shall be organized as a company limited by shares, and the paid-in capital may not be less than NT\$300 million.

The minimum paid-in capital under the preceding paragraph shall be fully subscribed by the promoters at the time of promotion.

#### Article 12

For operation of a futures trust enterprise, there shall be among the promoters one or more promoters that is/are a fund management institution, bank, insurance company, securities firm, futures commission merchant, or financial holding company meeting the qualifications specified below, and the combined share subscription of such qualified promoter or promoters may not be less than 20 percent of the first share issue:

1. Fund management institution:

A. Has been established for at least a full 3 years, and has not been

sanctioned by the competent authority of its home country for any reason related to funds management during the past 3 years.

B.Has experience in the management or operation of international futures fund or securities investment trust fund business.

C.Among the assets managed by the institution and its controlling or subordinate institutions, the total value of fund assets of futures funds, securities investment trust funds, mutual funds, unit trusts, or investment trusts that were raised through public offering are not less than NT\$65 billion.

2.Bank:

A.Has been established for at least a full 3 years, and has not been sanctioned by the competent authority of its home country for any reason related to funds management during the past 3 years.

B.Has experience in international finance, securities, trust, or futures business.

C.Has been ranked in the most recent year among the world's top 1,000 banks in either assets or net worth.

3.Insurance company:

A.Has been established for at least a full 3 years, and has not been sanctioned by the competent authority of its home country for any reason related to funds management during the past 3 years.

B.The aggregate amount of its funds utilization reaches NT\$100 billion or more.

C.The CPA-audited and attested financial report for the most recent period shows a net worth per share of not less than par value.

4.Securities firm:

A.Has been established for at least a full 3 years, and has been operating for at least a full 3 years as a securities firm engaged in the integrated operation of securities underwriting, dealing, and brokerage business.

B.Has not been sanctioned under Article 66, subparagraphs 2 to 4 of the Securities and Exchange Act, or, in the case of a foreign securities firm, has not been sanctioned by the competent authority of its home country, during the past 3 years.

C.Has net worth of NT\$8 billion or more, or paid-in capital of NT\$6 billion or more, and net worth per share is not less than par value according to the CPA-audited and attested financial report for the most recent period.

5.Futures commission merchant:

A.Has been established for at least a full 3 years, and has been operating for at least a full 3 years as a future commission merchant engaged in the integrated operation of futures brokerage, dealing, and advisory business.

B.Has not been sanctioned under Article 100, subparagraphs 2 to 4 of the Act, or, in the case of a foreign securities firm, has not been subject to a sanction equivalent thereto imposed by the competent authority of its home country, during the past 3 years.

C.Has net worth of NT\$1 billion or more, and net worth per share is not less than par value according to the CPA-audited and attested financial report for the most recent period.

6.Financial holding company:

A subsidiary of the financial holding company in which it controls 50% or more of the shares meets qualification requirements as set out in one of

the preceding 5 subparagraphs.

If a promoter meeting the qualification requirements in the preceding paragraph intends to transfer any of its shareholding in the futures trust enterprise, the futures trust enterprise shall file for recordation with the competent authority before the promoter transfers the shareholding.

#### Article 13

With the exception of shareholders meeting the qualification requirements set out in the preceding Article, the sum total of the shares held by any single shareholder of a futures trust enterprise and by the shareholder's related parties and by the shareholder through nominees may not exceed 25% of the total number of the company's issued shares.

"Related parties" in the preceding paragraph means any party or parties meeting any of the following circumstances:

- 1.If the shareholder is a natural person: the shareholder's spouse, blood relative within the second degree of kinship, or any enterprise of which the shareholder or the shareholder's spouse is a responsible person.
- 2.If the shareholder is a juristic person: any juristic person having a relationship of affiliated enterprise as set out in Chapter VI-I of the Company Act.

#### Article 14

A future trust enterprise shall at least set up a research and analysis department, a finance and accounting department, and an internal audit department.

A futures trust enterprise shall allocate a sufficient number of competent managerial officers, department supervisors, and associated persons to meet its managerial needs in light of enterprise size, business conditions, and internal controls. Such personnel shall satisfy the qualification requirements set out in the Regulations Governing Futures Trust Enterprises.

#### Article 15

When applying for permission to establish a futures trust enterprise, the promoter shall deposit NT\$25 million in the financial institution designated by the competent authority.

The financial institution in the preceding paragraph shall be a bank that is approved by the competent authority to operate custody business, and meets the conditions prescribed by the competent authority.

The funds deposited under paragraph 1 may be substituted for by government bonds or securities having a credit rating at or above a prescribed level by a credit rating organization approved or recognized by the competent authority.

After permission has been granted for establishment of the enterprise, the funds under paragraph 1 may be used only after the enterprise has completed incorporation registration and posted an operating bond. If permission for establishment is not granted, or the permission is voided or revoked, the competent authority shall notify the enterprise to reclaim the funds.

#### Article 16

To establish a futures trust enterprise, the promoters shall apply to the competent authority for permission by filling out and submitting an application form, together with the following documents:

- 1.Articles of incorporation.

2. Business plan, specifying: the futures trust enterprise's operational principles; plans for the offering and issuance of futures trust funds and plans for business development for the coming 2 years; internal organization and segregation of duties; personnel recruitment and training plan; general description of premises and facilities; and financial forecasts for the first fiscal year after establishment and the following fiscal year.

3. A register of promoters, specifying: name (individual or company), national ID (or passport) number or government uniform invoice (GUI) number, address or company location, capital contribution, and subscription ratio. For natural-person promoters, the application must be accompanied by documentary proof of identify; for juristic-person promoters, the application must be accompanied by articles of incorporation, photocopy of documentary proof of incorporation registration, documentary proof of status as an ongoing concern, letter of appointment of the representative and letter of acceptance from the appointed person, CPA-audited and attested financial report for the last fiscal year, register of directors, register of supervisors, register of major shareholders with a shareholding of 3% or higher, and register of affiliated enterprises.

4. Promoters meeting minutes.

5. Documentary proof of the qualification requirements of promoter(s) complying with Article 12.

6. Written statement(s) that none of the circumstances in Article 5 hereof exists, and that no provision of Article 6 or 7 hereof or Article 11 of the Regulations Governing Futures Trust Enterprises is violated, with respect to any of the promoters

7. Written statement(s) that no provision of Article 13 is violated with respect to any promoter(s) not falling under Article 12 hereof.

8. If a juristic-person promoter's duties are to be exercised by a representative or designated representative, the application shall be accompanied by a written statement that none of the circumstances in Article 5 hereof exists with respect thereto.

9. Documentary proof that the funds have been deposited pursuant to the preceding Article.

10. Review checklist for the application for establishment of the Futures Trust Enterprise, reviewed by a lawyer or CPA, and the summary opinion issued by the reviewer.

11. Written statement that the particulars set out in the application and its attachments contain no misrepresentation or nondisclosure.

#### Article 17

To establish a futures trust enterprise, the enterprise shall, within 6 months from the day the competent authority grants permission, duly complete all company registration procedures and apply to the competent authority for issuance of a permission license by filling out and submitting an application form, together with the following documents:

1. Documentary proof of incorporation registration;

2. Articles of incorporation;

3. Shareholders register and shareholders meeting minutes.

4. Written statement(s) that none of the shareholders violates Article 13 hereof.

5. Register of directors and supervisors, and minutes of the relevant board of directors meetings.
  6. A balance sheet and itemized statement of major expenditures reviewed by the CPA within 1 month prior to the date of application.
  7. Documentary proof of qualifications showing that the chairperson and general manager meet the qualifications set out in the Regulations Governing Futures Trust Enterprises.
  8. A list of the managerial officers, department supervisors, and associated persons, issued by the Association after reviewing their qualifications, together with documentary proof of their qualifications.
  9. Written statement(s) that the managerial officers, department supervisors, and associated persons comply with the provisions in Article 50 of the Regulations Governing Futures Trust Enterprises.
  10. Written statements that none of the circumstances in Article 5 hereof exists, and no provision of Article 7 hereof, or Article 11 or Article 56, paragraph 3 of the Regulations Governing Futures Trust Enterprises is violated, with respect to any director or supervisor.
  11. If a director or supervisor is a juristic person, a written statement that none of the circumstances in Article 5 hereof exists with respect to the representative or designated representative exercising duties on its behalf.
  12. Written statement(s) that none of the circumstances in Article 5 hereof exists, and no provision of Article 56, paragraph 3 of the Regulations Governing Futures Trust Enterprises is violated, with respect to any managerial officer or department supervisor.
  13. Written statement(s) that none of the circumstances in Article 5 hereof exists with respect to any associated person.
  14. Documentary proof that the requirement in Article 9 hereof is met.
  15. Documentary proof that an operating bond has been furnished in accordance with the requirements of Article 17 of the Regulations Governing Futures Trust Enterprises.
  16. A written description of the internal control system and an unqualified opinion issued by a CPA.
  17. Review checklist for the application by the futures trust enterprise for a permission license.
  18. Written statement that the particulars set out in the application and its attachments contain no misrepresentation or nondisclosure.
- If a futures trust enterprise fails to apply for a permission license within the time limit as prescribed in the preceding paragraph, its permission shall be revoked. Notwithstanding the foregoing, if there is legitimate reason, an application may be filed with the competent authority before expiration of that period for a maximum extension of 6 months, one time only.

#### Article 18

Upon an application for operation of a futures trust enterprise, the competent authority may deny permission in any of the following circumstances:

1. Any violation of Article 7 or 13 hereof or of Article 11 of the Regulations Governing Futures Trust Enterprises.
2. The promoters' qualifications do not meet the requirements set out in

Article 12 hereof.

3. Any circumstance in Article 5 hereof, or any violation of Article 6 hereof, exists with respect to any promoter.

4. Any circumstance in Article 5 hereof, or any violation of Article 56, paragraph 3 of the Regulations Governing Futures Trust Enterprises, exists with respect to any director, supervisor, managerial officer, or department supervisor.

5. The business plan or the internal control system is not concrete enough, or cannot be executed effectively.

6. There is likelihood that the professional competence of any promoter is insufficient for sound and effective operation of a futures trust enterprise, or denial of permission is otherwise deemed necessary to protect the public interest.

7. Any misrepresentation or falsehood is found in any content or information in the application documents.

Chapter III Concurrent Operation of Futures Trust Enterprises by Enterprises in Other Lines of Business

#### Section 1 Managed Futures Enterprises

Article 19

To apply to concurrently operate a futures trust enterprise, a managed futures enterprise shall have the following qualifications:

1. Has been in operation for at least a full 3 years.

2. Has paid-in capital of no less than NT\$300 million.

3. Has one or more shareholders meeting the qualification requirements in Article 12 hereof, with combined shareholding of no less than 20% of total issued shares.

4. Has net worth per share of not less than par value, as shown in the CPA-audited and attested financial report for the most recent period.

5. Has not been sanctioned under Article 100, paragraph 1, subparagraph 1 of the Act during the last half year.

6. Has not been sanctioned under Article 100, paragraph 1, subparagraphs 2 to 4 of the Act during the last 2 years.

If a managed futures enterprise that has been sanctioned under subparagraph 5 or 6 of the preceding paragraph and ordered by the competent authority to make corrections has not yet made concrete corrections as of the time it applies to concurrently operate a futures trust enterprise, the competent authority may deny the permission that is being applied for.

Article 20

Article 7 hereof and Article 11 of the Regulations Governing Futures Trust Enterprises shall apply mutatis mutandis with respect to a managed futures enterprise concurrently operating a futures trust enterprise.

Article 21

A managed futures enterprise applying to concurrently operate a futures trust enterprise shall set up a research and analysis department, a finance and accounting department, and an internal audit department. However, this requirement shall not apply if it has already set up these departments.

A managed futures enterprise applying to concurrently operate a futures trust enterprise shall appoint managerial officers, department supervisors, and associated persons pursuant to Article 14, paragraph 2.

Article 22

A managed futures enterprise intending to concurrently operate a futures trust enterprise shall apply to the competent authority for permission by filling out and submitting an application form, together with the following documents:

1. Business plan, specifying: the operational principles for the concurrently operated futures trust enterprise; plans for the offering and issuance of futures trust funds and plans for business development for the coming 2 years; internal organization and segregation of duties; personnel recruitment and training plan; and general description of premises and facilities.
2. Minutes of the board of directors meeting specifying the resolution to concurrently operate a futures trust enterprise.
3. Register of directors and supervisors.
4. Documentary proof for shareholder qualifications complying with Article 12 hereof, and a register of shareholders.
5. Written statement(s) that no provision of Article 7 hereof or Article 11 of the Regulations Governing Futures Trusts Enterprises exists with respect to any shareholder holding 5% or more of total issued shares.
6. The CPA-audited and attested financial report for the most recent period. If the date of application is more than 6 months past the start of the new fiscal year, the CPA-audited and attested financial report for the first half of the fiscal year shall additionally be submitted.
7. Review checklist for the managed futures enterprise's application to concurrently operate a futures trust enterprise.
8. Written statement(s) that the particulars set out in the application and its attachments contain no misrepresentation or nondisclosure.

#### Article 23

To apply to concurrently operate a futures trust enterprise, a managed futures enterprise shall, within 6 months from the day the competent authority grants permission, duly amend its articles of incorporation and complete company amendment registration indicating the concurrent operation of a futures trust enterprise, and apply to the competent authority for issuance of a permission license by filling out and submitting an application form, together with the following documents:

1. A photocopy of the letter of permission issued in response to the managed futures enterprise's application for concurrent operation of a futures trust enterprise, the articles of incorporation, and documentary proof of company amendment registration.
2. Documentary proof that the chairperson and general manager meet the qualifications set forth under the Regulations Governing Futures Trust Enterprises.
3. A list of the managerial officers, department supervisors, and associated persons to serve in the futures trust enterprise, issued by the Association after reviewing their qualifications, together with documentary proof of their qualifications.
4. Written statement(s) that the managerial officers, department supervisors, and associated persons of the futures trust enterprise comply with Article 50 of the Regulations Governing Futures Trust Enterprises.
5. Written statement(s) that none of the circumstances in Article 5 hereof exists, and no provision of Article 7 hereof or Article 11 or Article 56,

paragraph 3 of the Regulations Governing Futures Trust Enterprises is violated, with respect to any director or supervisor.

6.If a director or supervisor is a juristic person, a written statement that none of the circumstances in Article 5 hereof exists with respect to the representative or designated representative exercising duties on its behalf.

7.Written statement(s) that none of the circumstances in Article 5 hereof exists, and no provision of Article 56, paragraph 3 of the Regulations Governing Futures Trust Enterprises is violated, with respect to any managerial officer or department supervisor of the futures trust enterprise.

8.Written statement(s) that none of the circumstances in Article 5 hereof exists with respect to any associated person of the futures trust enterprise.

9.Documentary proof that the requirement of Article 9 hereof is met.

10.Documentary proof that an operating bond has been furnished in accordance with the requirements of Article 17 of the Regulations Governing Futures Trust Enterprises.

11.The CPA-audited and attested financial report for the most recent period. The report is not required, however, if it covers the same period as that covered by the financial report submitted in the application for permission to concurrently operate a futures trust enterprise.

12.A written description of the internal control system of the concurrently operated futures trust enterprise and an unqualified opinion issued by a CPA.

13.Review checklist for the application by the managed futures enterprise for issuance of a permission license to concurrently operate a futures trust enterprise.

14.Written statement that the particulars set out in the application and its attachments contain no misrepresentation or nondisclosure.

The internal control system referred to in subparagraph 12 of the preceding paragraph shall set out precautionary procedures and risk segregation mechanisms to prohibit and prevent the occurrence of any conflict of interest with beneficial owners or clients or acts prejudicial to the rights or interests of beneficial owners or clients, in connection with codes of conduct, and rules governing concurrent appointment, of managerial officers and associated persons of the futures trust enterprise, information sharing, sharing of operating facilities or premises, or advertising, public informational meetings, and other business promotion activities.

The permission granted to a managed futures enterprise to concurrently operate a futures trust enterprise will be revoked if the permission holder fails to apply for issuance of a permission license for such concurrent operation within the period set out in paragraph 1. Notwithstanding the foregoing, if there is legitimate reason, an application may be filed with the competent authority before expiration of that period for a maximum extension of 6 months, one time only.

A managed futures enterprise permitted to concurrently operate a futures trust enterprise may not commence such operation unless and until it has become a member of the Association under the category of futures trust

enterprise.

#### Article 24

Upon an application by a managed futures enterprise to concurrently operate a futures trust enterprise, the competent authority may deny permission in any of the following circumstances:

1. Any circumstance in Article 5 hereof, or any violation of Article 7 hereof or Article 11 or Article 56, paragraph 3 of the Regulations Governing Futures Trust Enterprises, exists with respect to any director, supervisor, managerial officer, or department supervisor.
2. Noncompliance with Article 19, paragraph 1, subparagraph 3.
3. The business plan or the internal control system is not concrete enough, or cannot be executed effectively.
4. There is likelihood that the professional competence of any director, supervisor, or managerial officer is insufficient for sound and effective operation of the concurrent futures trust enterprise, or denial of permission is otherwise deemed necessary to protect the public interest.
5. Any misrepresentation or falsehood is found in any content or information in the application documents.

### Section 2 Securities Investment Trust Enterprises

#### Article 25

To apply to concurrently operate a futures trust enterprise, a securities investment trust enterprise (SITE) shall have the following qualifications:

1. Has been in operation for at least a full 3 years.
2. Has paid-in capital of no less than NT\$300 million.
3. Has net worth per share of not less than par value according to the CPA-audited and attested financial report for the most recent period.
4. Has not been sanctioned under Article 100, paragraph 1, subparagraph 1 of the Act, Article 103, subparagraph 1 of the Securities Investment Trust and Consulting Act, or Article 66, subparagraph 1 of the Securities and Exchange Act during the last half year.
5. Has not been sanctioned under Article 100, paragraph 1, subparagraphs 2 to 4 of the Act, Article 103, subparagraphs 2 to 5 of the Securities Investment Trust and Consulting Act, or Article 66, subparagraphs 2 to 4 of the Securities and Exchange Act during the last 2 years.

If a SITE that has been sanctioned under subparagraph 4 or 5 of the preceding paragraph and ordered by the competent authority to make corrections has not yet made concrete corrections as of the time it applies to concurrently operate a futures trust enterprise, the competent authority may deny the permission that is being applied for.

#### Article 26

Article 7 hereof and Article 11 of the Regulations Governing Futures Trust Enterprises shall apply mutatis mutandis with respect to a SITE concurrently operating a futures trust enterprise.

#### Article 27

A SITE applying to concurrently operate a futures trust enterprise shall set up a research and analysis department, a finance and accounting department, and an internal audit department; provided that this requirement shall not apply if it has already set up these departments.

A SITE applying to concurrently operate a futures trust enterprise shall appoint managerial officers, department supervisors, and associated persons

pursuant to Article 14, paragraph 2.

#### Article 28

A SITE intending to concurrently operate a futures trust enterprise shall apply to the competent authority for permission by filling out and submitting an application form, together with the following documents:

1. Business plan, specifying: the operational principles for the concurrently operated futures trust enterprise; plans for the offering and issuance of futures trust funds and plans for business development for the coming 2 years; internal organization and segregation of duties; plan for personnel recruitment and training plan; and general description of premises and facilities.
2. Minutes of the board of directors meetings specifying the resolution to concurrently operate a futures trust enterprise.
3. Register of directors and supervisors.
4. Written statement(s) that there is no violation of Article 7 hereof or Article 11 of the Regulations Governing Futures Trusts Enterprises with respect to any shareholder holding 5% or more of total issued shares.
5. The CPA-audited and attested financial report for the most recent period. If the date of application is more than 6 months past the start of the new fiscal year, the CPA-audited and attested financial report for the first half of the fiscal year shall additionally be submitted.
6. Review checklist for the SITE's application to concurrently operate a futures trust enterprise.
7. Written statement(s) that the particulars set out in the application and its attachments contain no misrepresentation or nondisclosure.

A SITE may simultaneously apply to conduct the business of offering and selling beneficial certificates of futures trust funds at an existing branch unit. The documents and procedures for the application for permission and a permission license shall be as provided in Articles 30 and 31 hereof.

#### Article 29

To apply to concurrently operate a futures trust enterprise, a SITE shall, within 6 months from the day the competent authority issues permission, duly amend its articles of incorporation and complete company amendment registration for the concurrent operation of a futures trust enterprise, and apply to the competent authority for issuance of a permission license by filling out and submitting an application form, together with the following documents:

1. A photocopy of the letter of permission granted in response to the SITE's application to concurrently operate a futures trust enterprise, the articles of incorporation, and documentary proof of company amendment registration.
2. Documentary proof of qualifications showing that the chairperson and general manager meet the qualifications set out in the Regulations Governing Futures Trust Enterprises.
3. A list of the managerial officers, department supervisors, and associated persons to serve in the futures trust enterprise, issued by the Association after reviewing their qualifications, together with documentary proof of their qualifications.
4. Written statement(s) that the managerial officers, department

supervisors, and associated persons of the futures trust enterprise comply with Article 50 of the Regulations Governing Futures Trust Enterprises.

5. Written statement(s) that none of the circumstances in Article 5 hereof exists, and no provision of Article 7 hereof or Article 11 or Article 56, paragraph 3 of the Regulations Governing Futures Trust Enterprises is violated, with respect to any director or supervisor.

6. If a director or supervisor is a juristic person, a written statement that none of the circumstances in Article 5 hereof exists with respect to the representative or designated representative exercising duties on its behalf.

7. Written statement(s) that none of the circumstances in Article 5 hereof exists, and no provision of Article 56, paragraph 3 of the Regulations Governing Futures Trust Enterprise is violated, with respect to any managerial officer or department supervisor of the futures trust enterprise.

8. Written statement(s) that none of the circumstances in Article 5 hereof exists with respect to any associated person of the futures trust enterprise.

9. Documentary proof that the requirement of Article 9 hereof is met.

10. Documentary proof that an operating bond has been furnished in accordance with the requirements of Article 17 of the Regulations Governing Futures Trust Enterprises.

11. The CPA-audited and attested financial report for the most recent period. The report is not required, however, if it covers the same period as that covered by the financial report submitted in the application for permission to concurrently operate a futures trust enterprise.

12. A written description of the internal control system of the concurrently operated futures trust enterprise and an unqualified opinion issued by a CPA.

13. Review checklist for the application by the SITE for the permission license to concurrently operate a futures trust enterprise.

14. Written statement that the particulars set out in the application and its attachments contain no misrepresentation or nondisclosure.

The internal control system referred to in subparagraph 12 of the preceding paragraph shall set out precautionary procedures and risk segregation mechanisms to prohibit and prevent the occurrence of any conflict of interest with beneficial owners or clients or acts prejudicial to the rights or interests of beneficial owners or clients, in connection with codes of conduct, and rules governing concurrent appointment, of managerial officers and associated persons of the futures trust enterprise, information sharing, sharing of operating facilities or premises, or advertising, public informational meetings, and other business promotion activities.

The permission granted to a SITE to concurrently operate a futures trust enterprise will be revoked if the permit holder fails to apply for issuance of a permission license for such concurrent operation within the period set out in the preceding paragraph. Notwithstanding the foregoing, if there is legitimate reason, an application may be filed with the competent authority before expiration of that period for a maximum extension of 6 months, one time only.

A SITE permitted to concurrently operate a futures trust enterprise may not

commence such operation unless and until it has become a member of the Association under the category of futures trust enterprise.

#### Article 30

To apply for permission to conduct the business of offering and selling beneficial certificates of futures trust funds at an existing branch unit, a SITE that concurrently operates a futures trust enterprise shall apply to the competent authority by filling out and submitting the application form, together with the following documents:

1. Certificate of registration documenting that the branch unit is already established.
2. Business plan, specifying with respect to the branch unit: the operational principles in the offering and sale of beneficial certificates of futures trust funds; internal organization and segregation of duties; personnel recruitment and training plan; and general description of premises and facilities and financial forecasts for the coming year.
3. The minutes of the board of directors meetings specifying the resolution for the branch unit to conduct the offering and sale of beneficial certificates of futures trust funds.
4. The CPA-audited and attested financial report for the most recent period. If the date of application is more than 6 months past the start of the new fiscal year, the CPA-audited and attested financial report for the first half of the fiscal year shall additionally be submitted.
5. The internal control system of the branch unit. The internal control system is not required, however, if it is the same as the one submitted in the previous application for permission for the offering and sale of beneficial certificates of futures trust funds at an existing branch unit.
6. Review checklist for the application by a SITE to conduct the offering and sale of beneficial certificates of futures trust funds at an existing branch unit.
7. Written statement that the particulars set out in the application and its attachments contain no misrepresentation or nondisclosure.

The internal control system referred to in subparagraph 5 of the preceding paragraph shall set out the codes of conduct for, and rules governing concurrent appointment of, managerial officers and associated persons that handle the business of offering and selling of beneficial certificates of futures trust funds at the branch unit.

The provisions of Article 41 shall apply mutatis mutandis with respect to the qualifications required of a SITE that concurrently operates a futures trust enterprise and intends to apply to conduct the offering and sale of beneficial certificates of futures trust funds at an existing branch unit.

#### Article 31

A SITE that concurrently operates a futures trust enterprise and files an application under the preceding article shall, within 6 months from the day the competent authority grants permission, apply to the competent authority for issuance of a permission license to conduct the offering and sale of beneficial certificates of futures trust funds at the branch unit by filling out and submitting an application form, together with the following documents:

1. The CPA-audited and attested financial report for the most recent period. The report is not required, however, if it covers the same period as that

covered by the financial report submitted in the application for permission for the offering and sale of beneficial certificates of futures trust funds at the existing branch unit.

2.A list of the managerial officers, department supervisors, and associated persons of the branch unit, issued by the Association after reviewing their qualifications, together with documentary proof of their qualifications.

3.Written statement(s) that none of the circumstances in Article 5 hereof exists, and no provision of Article 56, paragraph 3 of the Regulations Governing Futures Trust Enterprises is violated, with respect to any managerial officer or department supervisor of the branch unit.

4.Written statement(s) that none of the circumstances in Article 5 hereof exists with respect to any associated person of the branch unit.

5.Documentary proof that the requirement in Article 9 hereof is met.

6.Review checklist for the application by the SITE for a permission license to conduct the business of offering and selling of beneficial certificates of future trust funds at the branch unit.

7.Written statement that the particulars set out in the application and its attachments contain no misrepresentation or nondisclosure.

The permission granted to a SITE that concurrently operates a futures trust enterprise for conducting the offering and selling of beneficial certificates of futures trust funds at a branch unit will be revoked if the permission holder fails to apply for issuance of a permission license for such business within the period set out in the preceding paragraph.

Notwithstanding the foregoing, if there is legitimate reason, an application may be filed with the competent authority before expiration of that period for a maximum extension of 6 months, one time only.

A SITE that concurrently operates a futures trust enterprise and that has obtained a permission license to conduct the business of offering and selling beneficial certificates of future trust funds at a branch unit may not commence the operation of futures trust business at the branch unit unless and until it has filed with the Association for recordation.

#### Article 32

Upon an application by a SITE to concurrently operate a futures trust enterprise, the competent authority may deny permission in any of the following circumstances:

1.Any circumstances in Article 5 hereof, or any violation of Article 7 hereof or Article 11 or Article 56, paragraph 3 of the Regulations Governing Futures Trust Enterprises, exists with respect to any director, supervisor, managerial officer, or department supervisor.

2.The business plan or the internal control system is not concrete enough, or cannot be executed effectively.

3.There is likelihood that the professional competence of any director, supervisor, or managerial officer is insufficient for sound and effective operation of the concurrent futures trust enterprise, or denial of permission is otherwise deemed necessary to protect the public interest.

4.Any misrepresentation or falsehood is found in any content or information in the application documents .

#### Section 3 Trust Enterprises

#### Article 33

A trust enterprise applying to concurrently operate a futures trust

enterprise shall meet the following qualifications:

1.The CPA-audited and attested financial report for the most recent period shows a net worth per share not lower than par value.

2.Has not, during the last half year, been sanctioned under Article 100, paragraph 1, subparagraph 1 of the Act, Article 103, subparagraph 1 of the Securities Investment Trust and Consulting Act, or Article 66, subparagraph 1 of the Securities and Exchange Act, and has not on three or more occasions been given an official reprimand and ordered to take corrective action within a specified period of time under Article 44, paragraph 1 of the Trust Enterprise Act.

3.Has not been sanctioned under Article 100, paragraph 1, subparagraphs 2 to 4 of the Act, Article 103, subparagraphs 2 to 5 of the Securities Investment Trust and Consulting Act, Article 66, subparagraphs 2 to 4 of the Securities and Exchange Act, or Article 44, subparagraphs 1 to 3 of the Trust Enterprise Act during the last 2 years.

If a trust enterprise that has been sanctioned under subparagraph 2 or 3 of the preceding paragraph and has been ordered by the competent authority to make corrections but has not yet made concrete corrections as of the time it applies to concurrently operate a futures trust enterprise, the competent authority may deny the permission that is being applied for.

Article 34

A trust enterprise applying to concurrently operate a futures trust enterprise pursuant to these Standards shall do so in its institutional name.

Article 35

A trust enterprise applying to concurrently operate a futures trust enterprise shall set up a research and analysis department, a finance and accounting department, and an internal audit department; provided that this requirement shall not apply if it has already set up these departments.

A trust enterprise applying to concurrently operate a futures trust enterprise shall appoint managerial officers, department supervisors, and associated persons pursuant to Article 14, paragraph 2.

Article 36

A trust enterprise intending to concurrently operate a futures trust enterprise shall apply to the competent authority for permission by filling out and submitting an application form, together with the following documents:

1.Business plan, specifying: the operational principles for the concurrently operated futures trust enterprise; plans for the offering and issuance of futures trust funds and plans for business development for the coming 2 years; internal organization and segregation of duties; personnel recruitment and training plan; and general description of premises and facilities.

2.Minutes of the board of directors meeting specifying the resolution to concurrently operate a futures trust enterprise. If the trust enterprise is a foreign bank, documents bearing the signature of an entity or person authorized by the head office may be submitted in lieu of the minutes.

3.Register of directors and supervisors

4.Written statement(s) that the managerial officers, department supervisors, and associated persons of the futures trust enterprise comply

with Article 50 of the Regulations Governing Futures Trust Enterprises.

5. Written statement(s) that no circumstance in Article 5 hereof exists, and no provision of Article 7 hereof, or Article 11 or Article 56, paragraph 3 of the Regulations Governing Futures Trust Enterprises is violated, with respect to any director or supervisor. If the trust enterprise is a foreign bank, documents bearing the signature of an entity or person authorized by the head office may be submitted in lieu of written statements by the directors and supervisors.

6. If a director or supervisor is a juristic person, a written statement that none of the circumstances in Article 5 hereof exists with respect to the representative or designated representative exercising duties on its behalf.

7. Written statement(s) that none of the circumstances in Article 5 hereof exists, and no provision of Article 56, paragraph 3 of the Regulations Governing Futures Trust Enterprise is violated, with respect to any managerial officer or department supervisor of the futures trust enterprise.

8. Written statement(s) that none of the circumstances in Article 5 hereof exists with respect to any associated persons of the futures trust enterprise.

9. Documentary proof that the requirement in Article 9 hereof is met.

10. The CPA-audited and attested financial report for the most recent period. If the date of application is more than 6 months past the start of the new fiscal year, the CPA-audited and attested financial report for the first half of the fiscal year shall additionally be submitted.

11. A written description of the internal control system of the concurrently operated futures trust enterprise and an unqualified opinion issued by a CPA.

12. Review checklist for the trust enterprise's application to concurrently operate a futures trust enterprise.

13. Written statement that the particulars set out in the application and its attachments contain no misrepresentation or nondisclosure.

The internal control system referred to in subparagraph 11 of the preceding paragraph shall set out precautionary procedures and risk segregation mechanisms to prohibit and prevent the occurrence of any conflict of interest with beneficial owners or clients or acts prejudicial to the rights or interests of beneficial owners or clients, in connection with codes of conduct, and rules governing concurrent appointment, of managerial officers and associated persons of the futures trust enterprise, information sharing, sharing of operating facilities or premises, or advertising, public informational meetings, and other business promotion activities.

A trust enterprise may simultaneously apply to conduct the business of offering and selling beneficial certificates of futures trust funds at an existing branch unit. The documents and procedures for the application for permission and a permission license shall be as provided in Articles 38 and 39 hereof.

Article 37

A trust enterprise applying to operate a futures trust enterprise shall, within 6 months from the day the competent authority grants permission,

duly amend its articles of incorporation and complete company amendment registration for the concurrent operation of a futures trust enterprise, and apply to the competent authority pursuant to the Trust Enterprise Act and relevant regulations for registry by filling out and submitting an application form, together with the following documents:

1.A photocopy of the letter of permission granted in response to the trust enterprise's application for concurrent operation of a futures trust enterprise, the articles of incorporation, and documentary proof of company amendment registration.

2.A list of the qualified managerial officers, department supervisors, and associated persons to serve in the futures trust enterprise, issued by the Association after reviewing their qualifications, together with documentary proof of their qualifications.

3.Documentary proof of admission to membership in the Association.

A trust enterprise permitted to concurrently operate a futures trust enterprise may not commence such operation unless and until it has become a member of the Association under the category of futures trust enterprise.

#### Article 38

A trust enterprise that concurrently operates a futures trust enterprise and intends to apply to conduct business of offering and selling beneficial certificates of futures trust funds at an existing branch unit, shall apply to the competent authority for permission by filling out and submitting the application form, together with the following documents:

1.Certificate of registration documenting that the branch unit is already established.

2.Business plan, specifying with respect to the branch unit: the operational principles in the offering and sale of beneficial certificates of futures trust funds; internal organization and segregation of duties; personnel recruitment and training plan; general description of premises and facilities; and financial forecasts for the coming year.

3.Minutes of the board of directors meeting specifying the resolution for the branch unit to conduct the offering and sale of beneficial certificates of futures trust funds.

4.Written statement(s) that none of the circumstances in Article 5 hereof exists, and no provision of Article 56, paragraph 3 of the Regulations Governing Futures Trust Enterprises is violated, with respect to any managerial officer or department supervisor of the branch unit.

5.Written statement(s) that none of the circumstances in Article 5 hereof exists with respect to any associated person of the branch unit.

6.Documentary proof that the requirement in Article 9 hereof is met.

7.The CPA-audited and attested financial report for the most recent period. If the date of application is more than 6 months past the start of the new fiscal year, the CPA-audited and attested financial report for the first half of the fiscal year shall additionally be submitted.

8.The internal control system of the branch unit. The internal control system is not required, however, if it is the same as the one submitted in the previous application for permission for the offering and sale of beneficial certificates of futures trust funds at an existing branch unit.

9.Review checklist for the application by a trust enterprise to conduct the business of offering and selling beneficial certificates of futures trust

funds at the branch unit.

10. Written statement that the particulars set out in the application and its attachments contain no misrepresentation or nondisclosure.

The internal control system referred to in subparagraph 8 of the preceding paragraph shall set out the codes of conduct for, and rules governing concurrent appointment of, managerial officers and associated persons that handle the offering and sale of beneficial certificates of futures trust funds at the branch unit.

Article 41 shall apply mutatis mutandis with respect to the qualifications required of a trust enterprise that concurrently operates a futures trust enterprise and applies to conduct business of offering and selling beneficial certificates of futures trust funds at an existing branch unit

Article 39

A trust enterprise that concurrently operates a futures trust enterprise and files an application under the preceding Article shall, within 6 months from the day the competent authority grants permission, apply to the competent authority for registry pursuant to the Trust Enterprise Act and relevant regulations, by filling out and submitting an application form, together with the following documents:

1. A photocopy of the letter of permission granted to the trust enterprise to conduct the offering and sale of beneficial certificates of futures trust funds at the branch unit.

2. A list of the managerial officers, department supervisors, and associated persons of the branch unit, issued by the Association after reviewing their qualifications, together with documentary proof of their qualifications.

A trust enterprise that concurrently operates a futures trust enterprise and that has obtained permission and duly carried out registry to conduct the offering and sale of beneficial certificates of future trust funds at a branch unit may not commence futures trust business at the branch unit unless and until it has filed with the Association for recordation.

Article 40

Upon application by a trust enterprise to concurrently operate a futures trust enterprise, the competent authority may deny permission in any of the following circumstances:

1. Any circumstance in Article 5 hereof, or any violation of Article 7 hereof or Article 11 or Article 56, paragraph 3 of the Regulations Governing Futures Trust Enterprises, exists with respect to any director, supervisor, managerial officer, or department supervisor.

2. The business plan or the internal control system is not concrete enough, or cannot be executed effectively.

3. There is likelihood that the professional competence of any director, supervisor, or managerial officer is insufficient for sound and effective operation of the concurrent futures trust enterprise, or denial of permission is otherwise deemed necessary to protect the public interest.

4. Any misrepresentation or falsehood is found in any content or information in the application documents.

#### Chapter IV Establishment of Branch Units

Article 41

A futures trust enterprise that meets the following qualifications may apply to establish a branch unit(s) to conduct the business of offering and

selling beneficial certificates of futures trust funds:

- 1.Has been in operation for at least a full year. This restriction does not apply, however, to the establishment of a branch unit as a result of merger or transfer.
- 2.The CPA-audited and attested financial report for the most recent period shows a net worth per share not lower than par value.
- 3.Has not been sanctioned under Article 100, paragraph 1, subparagraph 1 of the Act, Article 103, subparagraph 1 of the Securities Investment Trust and Consulting Act, or Article 66, subparagraph 1 of the Securities and Exchange Act during the last 3 months.
- 4.Has not been sanctioned under Article 100, paragraph 1, subparagraph 2 of the Act, Article 103, subparagraph 2 or 3 of the Securities Investment Trust and Consulting Act, or Article 66, subparagraph 2 of the Securities and Exchange Act during the last half year.
- 5.Has not been sanctioned under Article 100, paragraph 1, subparagraph 3 of the Act, Article 103, subparagraph 4 of the Securities Investment Trust and Consulting Act, or Article 66, subparagraph 3 of the Securities and Exchange Act during the last one year.
- 6.Has not been sanctioned under Article 100, paragraph 1, subparagraph 4 of the Act, Article 103, subparagraph 5 of the Securities Investment Trust and Consulting Act, or Article 66, subparagraph 4 of the Securities and Exchange Act during the last 2 years.

A futures trust enterprise that is not compliant with a provision or provisions of subparagraph 3 to 6 of the preceding paragraph may be exempted from restriction under those 4 subparagraphs if it has made substantive corrections, and the corrections have been recognized by the competent authority.

#### Article 42

To apply to establish a branch unit(s) to conduct the business of offering and selling beneficial certificates of futures trust funds, a futures trust enterprise shall apply to the competent authority for permission by filling out and submitting the application form, together with the following documents:

- 1.Articles of incorporation.
- 2.Business plan, specifying with respect to the branch unit: the operational principles in the offering and sale of beneficial certificates of futures trust funds; internal organization and segregation of duties; personnel recruitment and training plan; general description of premises and facilities; and financial forecasts for the coming year.
- 3.Minutes of the board of directors meeting specifying the resolution to establish a branch unit to conduct the business of offering and selling beneficial certificates of futures trust funds.
- 4.The CPA-audited and attested financial report for the most recent period. If the date of application is more than 6 months past the start of the new fiscal year, the CPA-audited and attested financial report for the first half of the fiscal year shall additionally be submitted.
- 5.The internal control system of the branch unit. The internal control system is not required, however, if it is the same as the one submitted in the previous application for permission for establishment of a branch unit.
- 6.Review checklist for the application by a futures trust enterprise to

establish a branch unit to conduct the offering and sale of beneficial certificates of futures trust funds .

7.Written statement that the particulars set out in the application and its attachments contain no misrepresentation or nondisclosure.

#### Article 43

A futures trust enterprise applying to establish a branch unit to conduct the business of offering and selling beneficial certificates of futures trust funds shall, within 6 months from the day the competent authority grants permission, duly complete branch unit registration procedures and apply to the competent authority for issuance of a permission license for the branch unit by filling out and submitting an application form, together with the following documents:

- 1.Documentary proof that the branch unit has been established.
- 2.The CPA-audited and attested financial report for the most recent period. The report is not required, however, if it covers the same period as that covered by the financial report submitted in the application for permission for establishment of the branch unit.
- 3.A list of the managerial officers, department supervisors, and associated persons of the branch unit, issued by the Association after reviewing their qualifications, together with documentary proof of their qualifications.
- 4.Written statement(s) that none of the circumstance in Article 5 hereof exists, and no provision of Article 56, paragraph 3 of the Regulations Governing Futures Trust Enterprises is violated, with respect to any managerial officer or department supervisor of the branch unit.
- 5.Written statement(s) that none of the circumstances in Article 5 hereof exists with respect to any associated person of the branch unit.
- 6.Documentary proof that the requirement in Article 9 hereof is met.
- 7.Review checklist for the application by the futures trust enterprise for issuance of a permission license for the branch unit to conduct the offering and sale of beneficial certificates of future trust funds.
- 8.Written statement that the particulars set out in the application and its attachments contain no misrepresentation or nondisclosure.

The permission granted to a futures trust enterprise for establishing a branch unit will be revoked if the futures trust enterprise fails to apply for issuance of a permission license for such branch unit within the period set out in the preceding paragraph. Notwithstanding the foregoing, if there is legitimate reason, an application may be filed with the competent authority before expiration of that period for a maximum extension of 6 months, one time only.

#### Chapter V Supplementary Provisions

#### Article 44

With the exception of banks that concurrently operate trust business under Article 3, paragraph 1 of the Trust Enterprise Act, enterprises applying to concurrently operate a futures trust enterprise pursuant to Chapter III shall be confined to exclusively operated enterprises.

#### Article 45

After obtaining the permission license from the competent authority to concurrently operate a futures trust enterprise, a managed futures enterprise intending to reorganize itself as a futures trust enterprise that concurrently operates a managed futures enterprise shall apply to the

competent authority for permission by filling out and submitting an application form, together with the following documents:

- 1.A photocopy of the permission license for the managed futures enterprise to concurrently operate a futures trust enterprise.
- 2.Shareholders meeting minutes specifying the resolution to reorganize the enterprise into a futures trust enterprise and to concurrently operate a managed futures enterprise.
- 3.Written statement that the particulars set out in the application and its attachments contain no misrepresentation or nondisclosure.

If the application referred to in the preceding paragraph is approved by the competent authority, the enterprise shall, within 6 months from the day the competent authority issues permission, duly amend its articles of incorporation and complete company amendment registration indicating its reorganization as a futures trust enterprise that concurrently operates a managed futures enterprise, and apply to the competent authority for permission license re-issuance by filling out and submitting an application form, together with the following documents:

- 1.A photocopy of the letter of permission granted in response to the managed future enterprise's application to reorganize itself into a futures trust enterprise that concurrently operates a managed futures enterprise, the articles of incorporation, and documentary proof of company amendment registration.
- 2.Documentary proof that public announcement has been made pursuant to Article 10 of the Regulations Governing Futures Trust Enterprises.
- 3.Written statement that the particulars set out in the application and its attachments contain no misrepresentation or nondisclosure.

The permission granted to a managed futures enterprise for reorganization will be revoked if the permission holder fails to apply for permission license re-issuance for such reorganization within the period set out in the preceding paragraph. Notwithstanding the foregoing, if there is legitimate reason, an application may be filed with the competent authority before expiration of that period for a maximum extension of 6 months, one time only.

#### Article 46

With the exception of a futures trust enterprise concurrently operated by a trust enterprise, which shall apply for registry pursuant to the Trust Enterprise Act and its relevant regulations, a futures trust enterprise shall pay a license fee in accordance with the following subparagraphs when applying to the competent authority for issuance of the permission license:

- 1.When a futures trust enterprise is established, 1/4,000th of the minimum paid-in capital as set out in Article 11, paragraph 1.
- 2.When a futures trust enterprise establishes a branch unit, NT\$3,000.
- 3.When a managed futures enterprise concurrently operates a futures trust enterprise, 1/4,000th of the minimum paid-in capital as set out in Article 19, paragraph 1, subparagraph 2.
- 4.When a SITE concurrently operates a futures trust enterprise, 1/4,000th of the minimum paid-in capital as set out in Article 25, paragraph 1, subparagraph 2.
- 5.When a SITE that concurrently operates a futures trust enterprise applies to conduct the business of offering and selling beneficial certificates of

futures trust funds at a branch unit, NT\$3,000.

A futures trust enterprise applying to the competent authority for permission license re-issuance shall pay a license fee of NT\$1,500.

A managed futures enterprise that, after commencing the concurrent operation of a futures trust enterprise, applies to the competent authority for permission license re-issuance to reorganize itself into a futures trust enterprise that concurrently operates a managed futures enterprise shall pay a license fee of NT\$1,500.

The license fee is not required if permission license re-issuance is applied for because of a change of address due to administrative re-districting or re-numbering of street address plate numbers.

#### Article 47

If any application documents submitted under these Standards are incomplete or contain incomplete information, and the competent authority imposes a deadline for supplementation or correction and the deadline is not met, the application will be dismissed.

#### Article 48

The format of documents required by these Standards will be prescribed by the competent authority.

#### Article 49

These Standards shall come into force from the date of issuance.