

Content

Title : Financial-Supervisory-Securities-Firms-0990064095 [Ch](#)

Date : 2010.11.11

Legislative : Issue date: 11 November 2010

Content : Positions in government bonds with maturities of over one year must be calculated as part of the 30 percent limit of net inflow remittance.

(Financial-Supervisory-Securities-Firms-0990064095)

Order of the Financial Supervisory Commission, Executive Yuan

Issue date: 11 November 2010

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1. In accordance with Article 4, paragraph 2 of the Regulations Governing Investment in Securities by Overseas Chinese and Foreign Nationals, offshore overseas Chinese and foreign nationals investing in ROC securities may invest in government bonds, money market instruments, and money market funds, and may engage in trades in over-the-counter (OTC) equity derivatives, OTC NT Dollar interest-rate derivatives, and OTC structured notes, and option-part trades on convertible bond asset swaps. Investments in money-market instruments are limited to bills within 90 days of maturity.

2. In the preceding point, "OTC NT Dollar interest-rate derivatives" includes NT Dollar forward rate agreements, interest rate swaps, and interest rate options; "OTC equity derivatives" includes options and equity swaps of Taiwan equities which are denominated in either NT dollars or foreign currency, and options and equity swaps of foreign equities which are denominated in either NT dollars or foreign currency; "OTC structured notes" includes structured notes linked to domestic or overseas equities or interest rates which are denominated in either NT dollars or foreign currency.

3. The total amount invested by an offshore overseas Chinese or foreign national in government bonds, money market instruments, and money market funds, plus all NT Dollar premiums paid for trades of OTC equity derivatives, OTC NT dollar interest rate derivatives, OTC structured notes, and options-part transactions on convertible bond asset swaps, plus the net settlement amount on price differences of swaps, must not exceed 30 percent of the net inflow remittance. If, after adding government bonds with maturities over one year that were held prior to this issuance of this Order, the amount exceeds the limit stated above, the bonds may be held to maturity, but no new positions in such bonds are permitted to be added.

4. An offshore overseas Chinese or foreign national that writes options must not apply, prior to maturity, for foreign exchange settlement for the premiums collected. This restriction shall not apply, however, for transactions linked to foreign equity products that would thus require application for foreign exchange settlement.

5. The 10 November 2009 Order No. Financial-Supervisory-Securities-Firms-

09800569731 of the FSC is repealed from this day forward. The present Order is effective from this day forward.

Originals: Post on the public notice board of the FSC and the public notice board of the Securities and Futures Bureau, FSC

Copies: Foreign Exchange Department, Central Bank of the Republic of China (Taiwan); Taiwan Stock Exchange Corporation; GreTai Securities Market; Taiwan Securities Association; The Bankers Association of the Republic of China; Taiwan Depository & Clearing Corporation; Custodian Banks; FSC Department of Legal Affairs; FSC Information Management Department; FSC Financial Examination Bureau; FSC Banking Bureau; Lex Data Information Inc.; Winkler Partners, Attorneys at Law

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