


Content

Title :	Financial-Supervisory-Securities-Firms-10300014311 
Date :	2014.01.28
Legislative :	Issue date: 28 January 2014
Content :	<p>A bank applying to concurrently operate foreign bond trading agency business shall be subject to the following provisions:</p> <ol style="list-style-type: none"><li>1. A bank applying to concurrently operate foreign bond trading agency business shall apply to the FSC in accordance with the Standards Governing the Establishment of Securities Firms, and obtain approval to concurrently operate, as a securities broker, the business item of "foreign bond trading agency," as well as the permission of the Central Bank, before it may commence the operation. The amount of capital that the bank is required to allocate or exclusively set aside, and the operation bond that it is required to deposit, for the concurrently operated business shall comply with the applicable provisions of the Standards Governing the Establishment of Securities Firms.</li><li>2. When a domestic bank or a Taiwan branch of a foreign financial institution applies to concurrently operate foreign bond trading agency business, its total assets reported in the financial report for the most recent period, audited and attested by a certified public accountant, may not be less than NT\$150 billion; or, in the case of a Taiwan branch of a foreign financial institution, the institution's head office shall have been ranked, in terms of capital or assets, among the world's top 50 banks in the year preceding the application.</li><li>3. A bank to which any of the following circumstances applies may not apply to concurrently operate foreign bond trading agency business:<ol style="list-style-type: none"><li>(1) Its ratio of equity capital to risk-weighted assets for the most recent period before the application date does not meet the standard set by the competent authority.</li><li>(2) It has not set aside a sufficient allowance for bad debts (losses).</li><li>(3) It has an accumulated deficit in the calendar year preceding the application date.</li><li>(4) Its non-performing loan ratio for the quarter preceding the application date is higher than 3 percent.</li><li>(5) It has been sanctioned with an administrative fine one time or more for violation of banking laws or regulations in the calendar year preceding the application date. This restriction does not apply, however, if the violation has already been specifically corrected, and the correction has been recognized by the competent authority.</li></ol></li><li>4. A bank concurrently operating foreign bond trading agency business shall be subject to the following provisions:<ol style="list-style-type: none"><li>(1) The bank shall make appropriate amendments to its internal control system before it commences concurrently operating foreign bond trading agency business.</li></ol></li></ol>

(2) The bank concurrently operating foreign bond trading agency business shall have the necessary information transmission facilities for real-time access to trading information relating to foreign bonds.

(3) The bank concurrently operating foreign bond trading agency business shall have at least three qualified associated persons to handle the business.

5. When a head office of a domestic bank or a Taiwan branch of a foreign financial institution has obtained approval to concurrently operate, as a securities broker, the business item of "foreign bond trading agency," if its offshore banking branch intends to operate the above business under Article 4, paragraph 1, subparagraph 4 of the Offshore Banking Act, the offshore banking branch shall, before it may commence the operation, apply to the FSC for permission and submit the approval letters issued by the CBC and the FSC permitting the head office of the domestic bank or the Taiwan branch of the foreign financial institution to operate foreign bond trading agency business.

6. When an offshore banking branch operates foreign bond trading agency business, the purchasers of the foreign bonds so traded shall be limited to customers outside the territory of the Republic of China, and the trading shall be handled in accordance with the rules governing securities brokers operating foreign bond trading agency business.

7. This Order is effective from this day forward.

Originals: To be posted on the public notice boards of the FSC and the Securities and Futures Bureau of the FSC

Copies: Central Bank of China; Legal Affairs Committee, Executive Yuan; Taiwan Stock Exchange Corporation; GreTai Securities Market; Taiwan Depository & Clearing Corporation; Taiwan Securities Association; The Bankers Association of the Republic of China; Lex Data Information Inc.; Financial Examination Bureau, Banking Bureau, Department of Legal Affairs, and Department of Information Management of the FSC