


Content

Title :	Financial-Supervisory-Securities-Firms-10300032445 
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Content :	<p>Order of the Financial Supervisory Commission (FSC)</p> <p>Issue date: 18 February 2014</p> <p>Issue no.: Financial-Supervisory-Securities-Firms-10300032445</p> <p>An offshore securities branch that conducts with customers, in connection with securities business, spot foreign exchange trading business across foreign currencies ("spot trading business across foreign currencies") and exchange rate derivatives business across foreign currencies shall follow the Regulations Governing Offshore Securities Branches and applicable rules adopted by the competent authority, except as provided below:</p> <p>1.A securities firm intending to apply for its offshore securities branch to conduct spot trading business across foreign currencies under Article 22-4, paragraph 1, subparagraph 7 of the Offshore Banking Act shall apply to the FSC for permission by submitting documents evidencing the matters listed below, in addition to submitting the documents set out in Article 14, paragraph 1 of the Offshore Banking Act Enforcement Rules:</p> <p>(1)That its head office has obtained permission from the Central Bank of the Republic of China (Taiwan) to conduct spot trading business across foreign currencies.</p> <p>(2)That its operations personnel and auditing personnel have met the applicable qualification requirements set out in Article 25, paragraph 1, subparagraph 4 of the Regulations Governing Foreign Exchange Business of Securities Enterprises.</p> <p>(3)That its computer equipment and operational environment are adequate for appropriate processing of matters set out in Article 26 of the Regulations Governing Foreign Exchange Business of Securities Enterprises.</p> <p>2.A securities firm intending to apply for its offshore securities branch to conduct securities business-related exchange rate derivatives business across foreign currencies under Article 22-4, paragraph 1, subparagraph 7 of the Offshore Banking Act may file the application only after its head office has obtained permission from the Central Bank to conduct that business.</p> <p>An offshore securities branch that has been approved to conduct foreign currency derivatives business and intends to apply to conduct securities business-related exchange rate derivatives business across foreign currencies shall apply to the FSC for permission by submitting documents evidencing the matters listed below before it may proceed under Article 12, paragraph 3 of the Regulations Governing Offshore Securities Branches:</p> <p>(1)That the offshore securities branch has obtained permission to conduct spot trading business across foreign currencies.</p> <p>(2)That its operations personnel and auditing personnel have met the</p>

applicable qualification requirements set out in Article 25, paragraph 1, subparagraph 4 of the Regulations Governing Foreign Exchange Business of Securities Enterprises.

(3) That its computer equipment and operational environment are adequate for appropriate processing of matters set out in Article 26 of the Regulations Governing Foreign Exchange Business of Securities Enterprises.

3. Articles 24 and 26 to 27 of the Regulations Governing Foreign Exchange Business of Securities Enterprises shall apply mutatis mutandis to an offshore securities branch conducting spot trading business across foreign currencies with customers.

4. When an offshore securities branch conducts securities business-related exchange rate derivatives business across foreign currencies with customers, the scope of the business and other compliance matters shall be subject mutatis mutandis to Article 26, Article 27, and Article 28, paragraphs 2 and 3 of the Regulations Governing Foreign Exchange Business of Securities Enterprises.

5. If the foreign exchange business conducted between an offshore securities branch and an onshore professional investor who is a natural person involves Renminbi (RMB) denominated products or products issued in the Mainland Area, the amounts of RMB purchased or sold through accounts per person per day shall be monitored and controlled by each individual securities firm, and those amounts shall be included in the calculation of all transactions conducted through all channels, whether over-the-counter or electronically, by the head office and each branch, and subject mutatis mutandis to Article 51, subparagraph 2 of the Regulations Governing Foreign Exchange Business of Securities Enterprises.

6. 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 the Republic of China (Taiwan); Legal Affairs Committee, Executive Yuan; Taiwan Stock Exchange Corporation; GreTai Securities Market; Taiwan Depository & Clearing Corporation; Taiwan Securities Association; Securities Investment Trust and Consulting Association of the ROC; Bankers Association of the ROC; Trust Association of the ROC; Lex Data Information Inc.; FSC (Financial Examination Bureau; Banking Bureau; Department of Legal Affairs; Department of Information Management)