

Content

Title :	Jin-Guan-Yin-Wai-Zi-10300200970 
Date :	2014.07.29
Legislative :	Issue date: July 29, 2014
Content :	<p>The directions for financial institutions accepting foreign currencies and foreign securities as collateral for NTD loans are as follows:</p> <ol style="list-style-type: none">1. Financial institutions may accept foreign currencies and foreign securities held by the following borrowers or others as collateral for NTD loans:<ol style="list-style-type: none">(1) Residents (including foreign nationals holding an Alien Resident Certificate and registered foreign juristic persons recognized by the ROC government).(2) Offshore overseas Chinese and foreign nationals referred to in the Regulations Governing Investment in Securities by Overseas Chinese and Foreign Nationals.2. The foreign securities mentioned in the preceding point include the following:<ol style="list-style-type: none">(1) Bonds issued by the central government of the Mainland Area and other foreign countries.(2) Certificates of deposit issued by the head offices and branch offices of reputable banks ranking among top 1000 in the world in terms of assets or capital in the past year and by the overseas branches of domestic banks.3. The loans referred to in Point 1 hereof shall be used strictly for the purpose of participating in domestic economic activities and may not be exchanged into a foreign currency. If the borrower breaches the contract, the settlement of proceeds from disposal of the collateral shall be handled in accordance with the Regulations Governing the Declaration of Foreign Exchange Receipts and Disbursements or Transactions.4. Financial institutions shall formulate internal operating procedures and rules for risk management related issues, such as the acceptance and disposal of collateral in connection with this business, and shall set the loan to value ratio for certificates of deposit issued by financial institutions in the Mainland Area and their branches that are provided as collateral for NTD loans.5. Financial institutions that hold bonds issued by the central government of the Mainland Area or certificates of deposit issued by financial institutions in the Mainland Area and their branches shall observe the calculation method provided in Article 12-1 of the Regulations Governing the Banking Activity and the Establishment and the Investment by Financial Institution Between the Taiwan Area and the Mainland Area.6. This order takes effect immediately and the FSC Order No. Jin-Guan-Yin-Wai-Zi-10100064320 dated June 4, 2012 is abolished immediately.

Data Source : Financial Supervisory Commission Laws and Regulations Retrieving System