


Content

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Content :	Order of the Financial Supervisory Commission Issue date: 13 March 2017 Issue no.: Financial-Supervisory-Securities-Firms-1060007307 <ol style="list-style-type: none">1. This Order is issued pursuant to Article 4, paragraph 2 of the Regulations Governing Investment in Securities by Overseas Chinese and Foreign Nationals ("the Regulations").2. Offshore overseas Chinese and foreign nationals investing in ROC securities, may, under Article 4, paragraph 2 of the Regulations Governing Investment in Securities by Overseas Chinese and Foreign Nationals, invest in government bonds, corporate bonds, financial bonds, money market instruments, and money market funds, and may engage in trades of over-the-counter (OTC) equity derivatives, OTC NT dollar interest rate derivatives, OTC structured instruments, and option-part trades on convertible bond asset swaps. Investments in money market instruments are limited to bills within 90 days of maturity.3. The "OTC NT dollar interest rate derivatives" referred to in the preceding point include NT dollar forward rate agreements, interest rate swaps, and interest rate options; "OTC equity derivatives" include 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 instruments" includes structured instruments linked to domestic or overseas equities or interest rates which are denominated in either NT dollars or foreign currency.4. The total amount invested by an offshore overseas Chinese or foreign national in government bonds, corporate bonds, financial 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 instruments, 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 inward remittance; provided, investment in privately placed convertible corporate bonds will not be counted in the aforesaid total amount. If, after adding corporate bonds or financial bonds that were held prior to 22 April 2015, or government bonds with maturities over one year that were held prior to 11 November 2010, 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.5. 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.6. This Order is effective from this day forward. The 22 April 2015 Order No. Financial-Supervisory-Securities-Firms-1040013178 of the FSC is repealed 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: Legal Affairs Committee, Executive Yuan; FSC (Department of Legal Affairs, Department of Information Management); FSC Financial Examination Bureau; Taiwan Stock Exchange Corporation; Taipei Exchange; Taiwan Depository & Clearing Corporation; Taiwan Futures Exchange Corporation; Taiwan Securities Association; Lex Data Information Inc.; Root International Information Co., Ltd.; Winkler Partners, Attorneys at Law; all custodian institutions

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