

Content

Title : Order of the Financial Supervisory Commission [Ch](#)

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Content : 1. The “other securities” approved by the competent authority under Article 22, paragraph 1 of the Securities and Exchange Act include New Taiwan dollar-denominated foreign straight bonds publicly offered and issued within the Republic of China (ROC) by foreign issuers and sold only to professional investors. Such securities are subject to the following provisions:

A. The terms “foreign issuer” and “professional investor” are defined in accordance with the Taipei Exchange (TPEx) Rules Governing the Review of Foreign Securities for Trading on the TPEx and related provisions.

B. The foreign issuer is exempted from the requirements listed below, provided that the foreign issuer shall still be required to comply with the laws and regulations of the country where it is registered:

a. The requirement to carry out effective registration of the public offering and issuance of the securities with the competent authority under Article 22, paragraph 1 of the Securities and Exchange Act.

b. The information disclosure requirements relating to public announcement and filing for registration of the annual and quarterly financial reports under Article 36 of the Securities and Exchange Act.

c. The requirements of the Regulations Governing Information to be Published in Public Offering and Issuance Prospectuses or the Regulations Governing Information to be Published in Financial Institution Prospectuses for Offering and Issuance of Securities.

C. A foreign issuer issuing an aforesaid straight bond shall comply with the following requirements:

a. The proceeds from the offering shall be used in major public infrastructure projects, offshore wind electricity projects, and other green energy industry projects within the ROC, and shall comply with the investment scope regulated by the Statute For Investment By Foreign Nationals.

b. The interest shall be calculated by a fixed rate or a positive floating rate. The proceeds from the offering shall be retained in New Taiwan dollars, and may not be converted into a foreign currency for use.

c. The prospectus shall be prepared in accordance with established conventions in international financial markets, and shall specify the name of the trustee for the creditors and the major terms and conditions. The trustee shall be limited to an ROC financial institution or trust enterprise only.

d. Before the bonds are traded on the TPEx, the issuer shall carry out the following related matters as provided below:

I. The issuer shall submit the required documents to the TPEx to apply for and obtain a preliminary review opinion. After obtaining the opinion, it shall, in accordance with the Statute For Investment By Foreign Nationals, apply to the Ministry of Economic Affairs, or a subordinate agency authorized thereby or other agency or institution engaged thereby, to obtain investment approval documentation.

II. After obtaining the investment approval documentation as provided above, the issuer shall file for recordation in advance with the Foreign Exchange Department of the Central Bank, with a copy to the TPEx, by submitting the above investment approval documentation together with the letter of consent for TPEx trading issued by the TPEx, the predetermined issuance terms, basic information of the issuer, and the intended use of the proceeds. Only after doing so may it proceed with issuance.

III. Within 1 month from the date of obtaining the letter of consent for TPEx trading of the bonds, the issuer shall apply and register with the TPEx for the trading of the bond on the TPEx.

e. After the bonds have been issued, the issuer shall perform information disclosure as follows:

I. Within 15 days after the issuance, the issuer shall report information relating to the issue on the Market Observation Post System (e.g. if a credit rating has been assigned to the bond, the credit rating shall be disclosed).

II. On a quarterly basis, the issuer shall contact the original lead underwriter or the attesting certified public accountant to issue an opinion on the reasonableness of the progress made in the use of proceeds and the handling of unused proceeds, and on whether any change to the plan is required; it shall do the same whenever there is any change to the plan for use of the proceeds.

III. Unless the foreign issuer is a government agency, it shall, by the 10th day of each month after the issuance, update the information relating to the outstanding balance of the bond on the Market Observation Post System.

f. If there is to be any change in the plan for use of the proceeds, the issuer shall obtain consent from the TPEx in advance, and after having changed the plan, it shall file for recordation with the Foreign Exchange Department of the Central Bank, with a copy to the TPEx.

D. The offerees of the aforesaid straight bonds, and the trading counterparties to whom any buyers resell the bonds, shall be limited to professional investors, and this restriction shall be specified both in the issuance terms and on the cover of the prospectus.

2. This Order is effective from this day forward.

Originals: To be posted on the public notice boards of the Financial Supervisory Commission (FSC) and the Securities and Futures Bureau of the FSC

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