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Title : Financial-Supervisory-Securities-Firms-1120148909 **Ch**

Date : 2023.11.01

Content :

Order of the Financial Supervisory Commission

Issue date: 1 November 2023

Issue no.: Financial-Supervisory-Securities-Firms-1120148909

1. This Order is issued pursuant to Articles 2 and 3 of the Regulations Governing the Establishment of and Compliance Matters for Offshore Securities Branches and Article 7, paragraph 1 of the Regulations Governing Offshore Securities Branches.

2. When a securities firm, pursuant to Article 2 of the Regulations Governing the Establishment of and Compliance Matters for Offshore Securities Branches, applies to establish an offshore securities branch in the Republic of China (Taiwan) to conduct the types of business specified in the subparagraphs of Article 22-4, paragraph 1 of the Offshore Banking Act, its net worth stated in the CPA audited and attested financial report for the most recent period shall be not less than NTD10 billion. If the offshore securities branch will conduct only the types of business specified in the Offshore Banking Act in Article 22-4, paragraph 1, subparagraphs 1 to 4, the account custody business under subparagraph 5, and the business under subparagraph 7 of, in connection with securities business on behalf of customers, conducting trading across foreign currencies and conducting foreign currency derivatives business other than exchange rate derivatives, then the securities firm's net worth stated in the CPA audited and attested financial report for the most recent period shall be not less than NTD4 billion.

3. In Article 2, paragraph 1, subparagraph 2 of the Regulations Governing the Establishment of and Compliance Matters for Offshore Securities Branches, the term "its financial condition meets the standard set by the FSC" means the following:

A. The securities firm's CPA audited and attested financial report for the most recent period shows no accumulated deficit.

B. The total amount of the securities firm's liabilities to others shall not exceed six times the amount of its net worth; the total amount of its current liabilities shall not exceed the total amount of its current assets.

4. In Article 2, paragraph 1, subparagraph 2 of the Regulations Governing the Establishment of and Compliance Matters for Offshore Securities Branches, the term "its regulatory capital adequacy ratio meets the standard set by the FSC" means that the securities firm's capital adequacy ratio is not lower than 150 percent.

5. During the period in which the securities firm engages in offshore securities business, its net worth, financial ratios, and regulatory capital adequacy ratio shall continue to be maintained at the amounts or the ratios specified in the preceding three points.

6. The format of the application form and the list of items for which permission is applied for as set out in Article 3, paragraph 1, subparagraph 1 of the Regulations Governing the Establishment of and Compliance Matters for Offshore Securities Branches are as attached.

7. This Order is effective from this day forward. FSC Order No. Financial-Supervisory-Securities-Firms-1100363166 of 17 August 2021 is repealed from this day forward.

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