

Content

Title : Directions on Securities Firms Selling Securities Services Information
Technology or Risk Management Know-How **Ch**

Date : 2023.11.09

Legislative : 1. Full text of 4 points adopted and issued per 9 November 2023 Order No.
Financial-Supervisory-Securities-Firms-1120385084 of the Securities and
Futures Commission; for immediate implementation

Content :

Point 1

These Directions are adopted pursuant to the proviso to paragraph 1 of Article 45 of the Securities and Exchange Act.

Point 2

A securities firm conducting the business of selling securities services information technology or risk management know-how shall meet the following qualifications:

1. Simultaneously operates the three types of business of securities underwriting, proprietary trading, and commission agency or brokerage, and is already engaged in call (put) warrant and over-the-counter financial derivative trading business.
2. Its own capital adequacy ratio reported for each month of the half-year preceding the application date must have exceeded 200 percent.
3. Its net worth stated on its CPA audited and attested financial report for the most recent period is not less than paid-in capital; its financial condition meets the requirements of Articles 13, 14, 16, 18, 18-1, and 19 of the Regulations Governing Securities Firms.
4. Status of legal compliance (i.e., sanctions for violations):
 - A. Has not, within the past 3 months, been sanctioned under Article 66, subparagraph 1 of the Securities and Exchange Act or Article 100, subparagraph 1 of the Futures Trading Act.
 - B. Has not, within the past 6 months, been sanctioned under Article 66, subparagraph 2 of the Securities and Exchange Act or Article 100, subparagraph 2 of the Futures Trading Act.
 - C. Has not, within the past 1 year, had its business suspended by a disposition of the competent authority.
 - D. Has not, within the past 2 years, had its permission for any part of its business voided by a disposition of the competent authority.
 - E. Has not, within the past 1 year, had its trading suspended or restricted by a disposition of the Taiwan Stock Exchange (TWSE), Taipei Exchange, or Futures Exchange pursuant to the rules or bylaws thereof.
5. Officers and related personnel conducting the business of selling securities services information technology or risk management know-how shall comply with the provisions of Articles 5 and 6 of the Regulations Governing Responsible Persons and Associated Persons of Securities Firms and shall have had 1 year or more of actual experience engaging in securities or risk management related business.

Point 3

A securities firm conducting the business of selling securities services information technology or risk management know-how is not required to apply to the competent authority for approval in advance. It shall submit its application to the TWSE, which shall forward it to the competent authority for recordation.

Point 4

After a securities firm has commenced conducting the business of selling securities services information technology or risk management know-how, if its capital adequacy ratio falls below 200 percent for 3 consecutive months or its credit rating does not meet the standards set out above, then before it has rectified such circumstance, it may only continue to complete agreements that it has already signed and may not accept new business.

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Data Source : Financial Supervisory Commission Laws and Regulations Retrieving System