


Content

Title :	Financial-Supervisory-Securities-Firms-1030005251 
Date :	2014.03.11
Legislative :	Issue date: 11 March 2014
Content :	<p>1. A securities firm that applies to act as a custodian institution pursuant to Article 17 of the Regulations Governing Investment in Securities by Overseas Chinese and Foreign Nationals shall meet the following conditions and receive FSC approval prior to acting as a custodian institution:</p> <p>(1) The securities firm must be one that concurrently operates securities brokerage, underwriting, and dealing business.</p> <p>(2) The CPA audited and attested financial report for the most recent period shows a net worth that is not less than NTD10 billion and also not less than its paid-in capital. The financial condition of the securities firm must also meet the requirements of Article 13 of the Regulations Governing Securities Firms.</p> <p>(3) The securities firm's regulatory capital adequacy ratio, during the half year preceding the application date, was never less than 200 percent.</p> <p>(4) The securities firm, during the last 3 months, was not subject to any warning sanction issued by the FSC pursuant to Article 66, subparagraph 1 of the Securities and Exchange Act or Article 100, paragraph 1, subparagraph 1 of the Futures Trading Act.</p> <p>(5) The securities firm, during the last half year, was not subject to any sanction imposed by the FSC pursuant to Article 66, subparagraph 2 of the Securities and Exchange Act ordering it to remove a director, supervisor, or managerial officer from their office, or any sanction imposed pursuant to Article 100, paragraph 1, subparagraph 2 of the Futures Trading Act requiring replacement of a responsible person or other related person.</p> <p>(6) The securities firm, during the last year, was not subject to any sanction imposed by the FSC requiring it to suspend its business.</p> <p>(7) The securities firm, during the last two years, was not subject to any sanction imposed by the FSC to void any part of its business permit.</p> <p>(8) The securities firm, during the last year, was not subject to any sanction, imposed pursuant to the corporate bylaws of the Taiwan Stock Exchange Corporation, the GreTai Securities Market, or the Taiwan Futures Exchange Corporation, to suspend or restrict its trading.</p> <p>2. A securities firm that receives approval to act as a custodian institution for offshore overseas Chinese and foreign nationals may handle the procedures in connection with the following: registration of securities investment; opening of accounts for domestic securities trading and New Taiwan Dollar accounts; applications for exchange, conversion, or share subscription of domestic corporate bonds; applications for exchange, conversion, or domestic securities subscription of foreign corporate bonds, applications for redemption of overseas depositary receipts, applications</p>

for the sale of foreign stock on the domestic market, exercise of rights in purchased securities, applications for foreign exchange settlement, payment of taxes, custody of funds and certificates related to securities investments, trade confirmations, settlement of trades, and information reporting. However, a securities firm that keeps custody of customer funds shall deposit those funds in an FSC-approved bank.

3. This Order is effective from this day forward.

Originals: To be posted on the public notice boards of the FSC and the Securities and Futures Bureau of the FSC

Copies: Legal Affairs Committee, Executive Yuan; Central Bank of the Republic of China (Taiwan); Taiwan Stock Exchange Corporation; GreTai Securities Market; Taiwan Securities Association; Taiwan Depository & Clearing Corporation; FSC (Financial Examination Bureau; Banking Bureau; Insurance Bureau; Department of Legal Affairs; Department of Information Management) Lex Data Information Inc.; Winkler Partners

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