Content

Title：	Corporate Bonds and Financial Bonds Held by Offshore Overseas Chinese and Foreign Nationals Must Be Included as Part of the 30 Percent Limit of Net Inward Remittance Ch
Date：	2015.04.22
Legislative：	Corporate Bonds and Financial Bonds Held by Offshore Overseas Chinese and Foreign Nationals Must Be Included as Part of the 30 Percent Limit of Net Inward Remittance

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Order of the Financial Supervisory Commission
Issue date: 22 April 2015
Issue no.: Financial-Supervisory-Securities-Firms-1040013178

1. 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.
2. 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.
3. 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. If, after adding corporate bonds or financial bonds that were held prior to the issuance of this order, 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.
4. 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.
5. The present Order is effective from this day forward. The 11 November 2010 Order No. Financial-Supervisory-Securities-Firms-0990064095 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; Central Bank of the Republic of China (Taiwan); Financial Supervisory Commission (Department of Legal Affairs and Department of Information Management); Financial Supervisory Commission Banking Bureau; Financial Supervisory Commission Financial Examination Bureau; Taiwan Stock Exchange Corporation; Taipei Exchange; Taiwan Securities Association; Taiwan Depository & Clearing Corporation; Lex Data Information Inc.; Root International Information Co., Ltd.; Winkler Partners, Attorneys at Law; all custodian banks.