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| Title :       | Regulations Governing Certification of Corporate Stock and Bond Issues by Public Companies <b>Ch</b>  |
| Date :        | 2019.09.24  |
| Legislative : | <p>Amended and promulgated on August 18, 1999 per order Ref. No. (88) Taiwan-Finance-Securities (I) 03025, and Economics (88) Commercial 88217008</p> <p>Name and all eight articles amended and promulgated on 30 December 2000 per Order Ref. No. (89) Taiwan-Finance-Securities (I) 92314 of the Securities and Futures Commission, Ministry of Finance, for enforcement from the date of promulgation (Original name: Rules Governing Certification of Corporate Stock and Bond Issues)</p> <p>11. Articles 3 and 4 amended and promulgated on 8 March 2002 per Order Ref. No. (91) Taiwan-Finance-Securities (I) 001519 of the Securities and Futures Commission, Ministry of Finance</p> <p>12. Article 4 amended and issued on 3 March 2006 per Order No. Financial-Supervisory-Securities-I-0950000989 of the Financial Supervisory Commission, Executive Yuan</p> <p>13. Articles 3, 4, and 6 amended and issued 21 May 2009 per Order No. Financial-Supervisory-Securities-I-0980023900 of the Financial Supervisory Commission, Executive Yuan</p> <p>14. Articles 2, 4, and 6 amended and issued per 24 September 2019 Order No. Financial-Supervisory-Securities-Corporate-1080360157 of the Financial Supervisory Commission</p>  |
| Content :     | <p>Article 1</p> <p>These Regulations are prescribed in accordance with Article 35 of the Securities and Exchange Act.</p> <p>Article 2</p> <p>The certification of stocks, corporate bonds, certificates evidencing rights to new shares, certificates evidencing payment of stocks, and beneficial certificates (hereinafter "securities") issued by public companies (hereinafter "companies") shall be made by banks (hereinafter "certification banks") permitted by law to serve as registrars for issues of stocks or bonds.</p> <p>Securities under the preceding paragraph for which no physical ("scrip") security is printed to represent the rights thereof are exempt from the requirement of certification.</p> <p>Article 3</p> <p>A company, and any lead underwriter, recommending securities firm, or shareholder services agent engaged by such company, shall not handle the certification of securities for a current issue or private placement that is under its management.</p> <p>Certification of securities issued or privately placed by a financial holding company may not be handled by its subsidiary company, and the certification of the securities of a financial holding company's subsidiary company may not be handled by another subsidiary company of that financial holding company.</p> <p>A certification case conducted before the 21 May 2009 amendment and issuance date of these Regulations that does not comply with the provisions of the preceding paragraph shall be brought into compliance with those provisions within three months from that date.</p> <p>The term "subsidiary company" as used in paragraph 2 means a subsidiary company as defined in Article 4 of the Financial Holding Company Act.</p> <p>Article 4</p> <p>The certification of securities shall be processed as follows:</p> |

1. The certification period for a certification bank processing a new issuance or new private placement of securities shall not exceed five business days starting from the date on which the bank is engaged. In addition, before proceeding with the certification, review and a record shall be made of the corporate registration chart (or corporate registration card), and of the content, paper quality, company specimen chop, serial number, par value, volume, and total issuance amount of the securities in question.
  2. Until the company issuing or privately placing the securities has completed settlement, the certification bank shall exercise the custodial duty of a good administrator in safekeeping the sample of the seal specimen with which the certification bank certifies the securities and the sample specimen of the certified securities.
  3. The total amount of securities certified shall be limited to the actual issuance amount within the total issuance amount approved by the competent authority for effective registration and to the total amount of securities for which the payment has actually been paid up.
  4. If application is made to reissue a company's publicly issued or privately placed securities, the reissued securities shall be certified only after the applicant obtains a written judgment of exclusion by a court declaring the original securities certificates void.
  5. Securities from the same issue or private placement shall be certified by the same bank.
  6. When handling the certification of privately placed securities, a certification bank shall limit the certification to within the total amount of securities for which payment has actually been collected, the private placement amount announced by the company, and the amount approved by the Ministry of Economic Affairs for amendment registration, and shall also check whether the company has noted on the securities in conspicuous type that they are privately placed, their delivery date, and restrictions on transfer.
- If replacement securities must be issued because of merger, consolidation, split, or other reason, the certification bank shall verify that the securities have been voided by clipping before carrying out certification of the new securities. However, in regard to circumstances set forth in paragraph 3, Article 33 of the Business Mergers and Acquisition Act, since the original share certificates have become null and void because of failure to be filed with the company, certification of the new securities can be performed directly.
- If a company buys back or redeems securities and cancels them, it shall void them by clipping after carrying out amendment registration procedures, and file a report with the original certification bank.
- If scripplessly issued or privately placed securities are changed to scrip securities, the certification bank shall carry out certification on the basis of the document evidencing termination of registration issued by the centralized securities depository enterprise.
- If there is any merger or acquisition of a certification bank or acceptance of transfer of the certification business of another certification bank, the operations of the certification business shall be assumed in full by the surviving company or the company assuming the certification business.

#### Article 5

If securities deemed as publicly issued under Article 24 of the Securities and Exchange Act and securities undergo the supplemental public issuance procedure pursuant to paragraph 1 of Article 42 have not been certified pursuant to these Regulations, the company shall carry out supplemental certification procedures. The securities may not be consigned for trading nor provided for settlement until such supplemental certification has been completed.

A company carrying out supplemental certification under the preceding paragraph shall notify each shareholder of such supplemental certification and publicly announce it.

#### Article 6

The remuneration given for the certification of securities shall be mutually agreed between the issuing company and the certification bank

based on the following principles:

1. The maximum remuneration for the certification of a new issue or new private placement of securities shall be 0.03 percent of the total par value of the issued securities. However, where the amount derived using the preceding method is less than NT\$3,000 or more than NT\$500,000, the remuneration shall be NT\$3,000 or NT\$500,000 as the case may be.

2. The maximum remuneration for the certification of substitute, replacement, combined or split securities shall be 0.03 percent of the total par value of the issued securities. However, where a securities central depository enterprise sends securities for substitution due to a merger of companies, the maximum remuneration shall be 0.003 percent of the total par value of the issued securities, and shall further not exceed NT\$50,000 per instance.

The maximum remuneration for supplemental certification of securities referred to in paragraph 1 of the preceding Article shall be no more than NT\$500,000.

#### Article 7

Related personnel who processes the certification of securities certificates shall be civilly and criminally liable if they violate any provisions of the laws.

#### Article 8

These Regulations shall come into force from the date of issuance.

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