

Content

Title :	Regulations Governing Information to be Published in Prospectuses by Securities Investment Trust Enterprises Offering Securities Investment Trust Funds <b>Ch</b>
Date :	2022.12.23
Legislative :	<p>1. Full 25 articles adopted and issued per 30 October 2004 Order No. Financial-Supervisory-Securities-IV-0930005182 of the Financial Supervisory Commission, Executive Yuan; for implementation from the date of issuance</p> <p>2. Articles 6 and 13 amended and issued per 7 March 2005 Order No. Financial-Supervisory-Securities-IV-0940000935 of the Financial Supervisory Commission, Executive Yuan</p> <p>3. Full text of 26 articles amended and issued per 30 January 28 Order No. Financial-Supervisory-Securities-IV-0970000367 of the Financial Supervisory Commission, Executive Yuan; for implementation from the date of issuance</p> <p>4. Articles 13, 20, and 24, and Table 4 of Article 18 amended and issued per 29 December 2010 Order No. Financial-Supervisory-Securities-SITC-0990072692 of the Financial Supervisory Commission, Executive Yuan</p> <p>5. Articles 6, 22, and 26 amended and issued per 27 July 2012 Order No. Financial-Supervisory-Securities-SITC-1010033473 of the Financial Supervisory Commission; for enforcement from the date of issuance except for Article 22, which shall enter into force from the fiscal year of 2013</p> <p>6. Article 6 amended and Article 13-1 added per 23 December 2022 Order No. Financial-Supervisory-Securities-SITC-1110385588 of the Financial Supervisory Commission</p>
Content :	<p>Article 1 These Regulations are adopted pursuant to Article 15, paragraph 5 of the Securities Investment Trust and Consulting Act (the "Act").</p> <p>Article 2 A securities investment trust enterprise (SITE) intending to issue beneficial certificates for an offering or follow-on offering of a securities investment trust fund (a "fund") in the domestic market shall prepare a prospectus and a simplified prospectus in accordance with the content requirements of these Regulations. If such an enterprise intends to issue beneficial certificates for an offering or follow-on offering of a fund in a foreign market, it shall prepare a prospectus or prospectuses in accordance with the laws and regulations of the jurisdiction in which the offering is made, and in such a case these Regulations shall not apply.</p> <p>Article 3 A prospectus and a simplified prospectus shall be prepared based on the following basic principles: 1. All of the information contained shall be clear and easy to understand, and it may not contain misrepresentations, nondisclosures, omissions, or otherwise be misleading. 2. All of the information contained shall be timely and up to date. Any trade or other event occurring before the printing of the prospectuses that could influence the judgment of beneficial owners shall be disclosed therein.</p> <p>Article 4 A prospectus shall include all information required by these Regulations and be published with a table of contents and page numbers. If there is no information for a required item, the words "not applicable" shall be indicated after that item heading. If required information repeats itself in the same prospectus, the</p>

information may be included in one place only, with a note provided in the other place or places indicating the page number where the information can be found.

#### Article 5

An open-end fund shall update its full and simplified prospectuses within 1 month after the end of each quarter following its establishment.

If, prior to the printing of the prospectus and simplified prospectus described in the preceding paragraph, any matter occurs which materially affects the interests of the beneficial owners, such matter shall also be disclosed therein.

#### Article 6

The following items shall be printed in the order below on the cover of a prospectus:

1. Fund name. A principal protection fund shall indicate, in parentheses, in a different color, and in conspicuous print, the principal protection percentage and the type of the fund (either "principal guaranteed" or "principal protected").
2. Fund type. State whether the fund is an equity fund, bond fund, balanced fund, principal protection fund, fund-of-funds, index fund, exchange-traded fund (ETF), money market fund, umbrella fund, or another type of fund authorized by the Financial Supervisory Commission (FSC).
3. Fundamental investment policy.
4. Fund structure (open-end or closed-end).
5. For a fund that invests offshore, the words "invested offshore" shall be clearly indicated.
6. For a fund denominated in a foreign currency, the currency in which the fund is denominated shall be clearly indicated.
7. The total face value of the current issue as approved.
8. The number of beneficial units of the current issue as approved.
9. For a principal protection fund of the capital guaranteed type, indicate the name of the guarantor institution.
10. Name of the SITE.
11. The following statements to be printed conspicuously:
  - A. "The Financial Supervisory Commission has either approved this fund or allowed its effective registration, but that does not indicate that this fund is risk-free. The past management performance of this SITE does not guarantee any minimum return on investment for this fund. Apart from exercising its duty of due care and diligence, this SITE will not be responsible for the gains or losses of this fund, and does not guarantee any minimum return."
  - B. For a principal protection fund that is a capital guaranteed fund, print following statement: "The Financial Supervisory Commission has either approved this fund or allowed its effective registration, but that does not indicate that this fund is risk-free. If, and only if, investors keep this fund until the maturity date, can they enjoy a \_\_\_\_ percent principal guarantee. The guarantee does not cover cases in which investors redeem prior to maturity, or in which there occurs any of the situations requiring termination (as set out in subparagraphs 1 through 6 of Article\_\_ of the trust deed for this fund), and investors are responsible for all relevant fees for the entire investment period, with the redemption price to be calculated using the net asset value at that time. Investors should be aware that prior to the maturity date the net asset value of this fund may fluctuate due to various market factors. Therefore, before trading, investors should be certain that they are fully aware of the risks and features of this fund."
  - C. For a principal protection fund that is a capital protected fund, state the following: "This fund is not guaranteed by a guarantor, but achieves the function of principal protection through the use of various investment tools. The Financial Supervisory Commission has either approved this fund or allowed its effective registration, but that does not indicate that this fund is risk-free. If, and only if, investors keep this fund until the maturity date, can they enjoy a \_\_\_\_ percent principal protection. The guarantee does not cover cases in which investors redeem prior to maturity or in which there occurs any of the situations requiring termination (as

set out in Article \_\_\_\_ of the trust deed for this fund), and investors are responsible for all relevant fees for the entire investment period, with the redemption price to be calculated using the net asset value at that time. Investors should be aware that prior to the maturity date the net asset value of this fund may fluctuate due to various market factors, and that, because capital protection is not a guarantee, the purpose of principal protection will be unable to be achieved if, for example, an issuer defaults or a credit risk materializes with respect to an investment instrument. Therefore, before trading, the investor should be certain that they are fully aware of the risks and features of this fund." The latter part of the paragraph shall be printed in an especially conspicuous manner, such as enlarged bold typeface or a different color.

D. For a non-investment grade bond fund, include a description of a profile of the typical investor, stated in a different color and in conspicuous type, and also include the following statements: "Investors are not advised to invest too high a percentage of their investment portfolio in non-investment grade bond funds." and "The Financial Supervisory Commission has approved this fund, but that does not indicate that this fund is risk-free. As non-investment grade bonds are rated below investment grade or are not rated, and are highly sensitive to changes in interest rates, this fund may suffer losses due to a rise in interest rate, decline in market liquidity, or in the event that a bond issuer defaults in payment of principal or interest or becomes bankrupt. This fund is not suitable for investors who are unable to bear the associated risks. The past management performance of the fund management company does not guarantee any minimum return on investment for this fund. Apart from exercising its duty of due care and diligence, the fund management company will not be responsible for the gains or losses of this fund, and does not guarantee any minimum return. Therefore, investors should carefully study the prospectus of the fund before subscription."

E. For an environment, social, and governance-themed fund, print the following statement: "This fund is an environmental, social, and governance-themed fund. Please see page to page for a disclosure of material issuance information relating to sustainability." The periodic evaluation information of the fund will be published on the company's website (<https://>).

F. Please see page to page for a disclosure of restrictions on the use of the assets of, and the risks of investing in the fund.

G. In the event there is any misrepresentation or nondisclosure in this prospectus, the SITE, its responsible persons, and any other persons whose signature or seal appear on the prospectus shall be held legally liable.

H. Web addresses for inquiries regarding the prospectus, including the web address of the information reporting website designated by the FSC, and the web address where the company discloses the relevant prospectus materials.

I. For a trust enterprise concurrently operating securities investment trust business that has obtained approval from the FSC to keep fund assets in its own custody, explicitly state that the assets of the fund are kept in its own custody and that a trust supervisor has been appointed.

12. Date of printing.

A prospectus prepared for use in an application (or regulatory filing) to offer a securities investment trust fund shall clearly indicate on its cover that it is a draft version for application (or regulatory filing) purposes only.

The "fundamental investment policy" item described in paragraph 1, subparagraph 3 may otherwise provide a note indicating the page number where the information can be found in the prospectus.

## Article 7

The following items shall be printed in the order below on the inside cover of a prospectus:

1. Name, street address, website address, and telephone number of the head office of the SITE, and the name, job title, contact telephone number, and e-mail address of the spokesperson.

2. Name, street address, website address, and telephone number of the fund custodian. In the case of a trust enterprise that concurrently operate securities investment trust business and that has obtained approval from

the FSC to keep fund assets in its own custody, an indication of the name, street address, website or email address, and telephone number of the trust supervisor.

3. Name, street address, web address, and telephone number of the appointed management institution.

4. Name, street address, web address, and telephone number of the offshore investment consulting company.

5. Name, street address, web address, and telephone number of the appointed offshore custodian.

6. If the fund is guaranteed by a guarantor institution, the name, street address, website address, and telephone number of the guarantor institution.

7. Name, street address, website address, and telephone number of the certifying institution for the beneficial certificates.

8. Name, street address, website address, and telephone number of the institution acting as agent in beneficial certificate matters.

9. Name of the CPA providing auditor attestation services on the fund's financial reports, and the name, street address, website address, and telephone number of the CPA firm.

10. If the SITE or fund has been rated by a credit rating agency, the name, street address, website address, and telephone number of the credit rating agency.

11. Prospectus distribution plan, specifying information on where the prospectus is displayed, how it is distributed, and how it can be obtained upon request.

#### Article 8

The back cover of a prospectus shall bear the signature or seal of the SITE and the chairperson of the board of directors.

#### Article 9

A prospectus shall include the following items:

1. Fund overview.

2. Key elements of the securities investment trust agreement.

3. Overview of the SITE.

4. Name, street address, and telephone number of any agent handling sale and redemption of the beneficial certificates.

5. Special disclosures.

#### Article 10

The "fund overview" item shall include the following information:

1. Profile of the fund.

2. Nature of the fund.

3. Duties of the SITE, the fund custodian (or the trust supervisor, in the case of a trust enterprise that concurrently operates securities investment trust business and that has obtained approval from the FSC to keep fund assets in its own custody), and the fund guarantor.

4. Fund investments.

5. Investment risk disclosure.

6. Distribution of gains.

7. Subscription for beneficial certificates.

8. Redemption of beneficial certificates.

9. Rights and fees undertaken by beneficial owners.

10. Fund information disclosure.

11. Use of assets by the fund.

#### Article 11

The "profile of the fund" item shall include the following information:

1. Total face value of the issue.

2. Total number of beneficial units.

3. Face value of each beneficial unit.

4. Whether follow-on issues may be made.

5. Conditions for successful or unsuccessful establishment (if there is a date for meeting said conditions, this date shall be stated).

6. Scheduled issue date.

7. Duration.

8. Investment regions and instruments. For a principal protection fund, an additional indication shall be made for the estimated proportion of investment in fixed-income instruments and securities-related instruments, the issuers of the instruments invested in by the fund, the counterparties, and the participation factor.
9. Brief indication of fundamental investment policies and scope of investment.
10. Key information on the investment strategies and characteristics.
11. Profile of the typical investor for whom the fund is suitable.
12. Sale commencement date.
13. Methods of selling.
14. Selling price.
15. Minimum subscription amount.
16. The documentation that the SITE might request from subscribers for anti-money laundering purposes and the circumstances in which it might refuse subscription requests.
17. Redemption commencement date. For a principal protection fund, include an indication of how redemption requests will be accepted and the procedure by which to dispose of assets to meet redemption needs.
18. Redemption fees.
19. Redemption price.
20. Guidelines on and response procedures for short-swing trading.
21. Definition of "business day" for the purposes of the fund.
22. Management fees. For a principal protection fund, print the management fee structure in conspicuous type.
23. Custodian fees (or trust supervisor remuneration, in the case of a trust enterprise that concurrently operates securities investment trust business and that has obtained approval from the FSC to keep fund assets in its own custody).
24. If the fund is guaranteed by a guarantor, include the information on the nature of the business operations of the guarantor, its financial status, credit rating, the conditions and scope of the guarantee, guarantee fees, and the key elements of the guarantee agreement, and further provide examples to illustrate the guarantee mechanism as well as the method of calculation for potential returns in excess of the guaranteed amount.
25. Whether there is distribution of income or gains.

#### Article 12

The "nature of the fund" item shall include the following information:

1. Establishment of the fund and its legal basis.
2. The contractual relation created under the securities investment trust agreement.
3. In case of any follow-on offering of the fund, a description of the status of the issue at the time the fund was established and of each subsequent follow-on issue.

#### Article 13

The "fund investments" item shall include the following information:

1. The fund's investment policies and scope. For a bond fund, clearly describe the management strategy for the weighted average duration of its asset portfolio and the positions held in fixed income securities.
2. The decision-making process by which the SITE determines the use of the fund's assets for investment purposes, and the name, major work experience, educational background, and discretion of the current fund manager, and names and individual terms of service of the previous fund managers of the given fund for the most recent 3 years. If the fund manager also manages other funds, disclose the names of those other funds and the measures adopted to prevent conflict of interest.
3. If for the use of fund assets the SITE delegates any of the management functions of the fund to a third party, indicate the status of the delegation as well as the professional competence of the appointed management institution with respect to the delegated management function(s).
4. If for the use of fund assets the SITE hires an offshore investment consulting company to provide investment consulting or advisory services, indicate the professional competence of the offshore investment consulting

company with respect to the provision of fund consulting or advisory services.

5. Restrictions on the use of the assets of the fund.
6. Principles and methods for handling the exercise of voting rights when the fund participates in the shareholders meetings of stock-issuing companies.
7. Principles and methods for handling the exercise of voting rights when a fund participates in the meetings of beneficial owners of funds held by this fund.
8. If the fund invests in foreign or overseas regions, disclosure the following information:
  - A. The economic environment in each main region/country of investment, with a brief description of the following:
    - a. Overview of the economic development and of each major industry sector.
    - b. Exchange control and outward and inward fund remittance regulations.
    - c. The highest and lowest figures for the exchange rate of the local currency against the US dollar for the most recent 3 years, and changes therein over time.
  - B. Any main securities market of investment, with a brief description of the following:
    - a. An overview of the issuing and trading markets for the most recent 2 years (Tables 1 and 2).
    - b. The market turnover rate and price-to-earnings ratio for the most recent 2 years (Table 3).
    - c. The quality of market information disclosure (including timeliness and comprehensiveness).
    - d. How securities are exchanged or traded.
  - C. If the fund invests in foreign or overseas securitization products or emerging industries, provide an overview of the underlying investments or industry sectors on the foreign or overseas market for the most recent 2 years.
  - D. If the SITE conducts transactions to hedge the risks associated with the foreign currency receipts and disbursements of the fund, clearly state the hedging strategies.
  - E. If the fund invests in a foreign market, the SITE shall state the principles and methods for coordinating the fund's attendance at the meetings of shareholders (or beneficial owners) of the issuing company of any foreign stock (or fund) in which the fund invests.
9. If the fund is of any of the following types, include further statements as follows:
  - A. Principal protection fund:
    - a. The nature of the instruments to which the relevant investments are linked.
    - b. The set parameters of the fund, including the participation rate and investment duration, with a notation of when the actual participation rate is determined and how beneficial owners are notified.
    - c. For a capital protected fund without a guarantor, include a statement that the fund is not guaranteed by a guarantor, but achieves the function of principal protection through the use of various investment tools.
    - d. For a capital protected fund, state the control mechanisms for achieving principal protection upon disposal of fund assets to meet the early redemption requests by beneficial owners and at maturity.
  - B. Index fund or exchange-traded fund:
    - a. How the index is constructed and the operating strategies used by the management company to track, simulate, or replicate the performance of the index, including an indication of the portfolio rebalancing strategies, and, when the fund invests in a representative sample of securities in the index, of the sampling and operating strategies used so that the sample would closely reflect the overall characteristics of the index.
    - b. A comparison that shows the performance difference between the fund and the benchmark index, with a clear indication of the definitions and calculation formulas for such comparison.
  - C. Umbrella fund. Describe the investment scope of each sub-fund and their main distinctive features, and compare their differences and similarities. For required information that is common to all sub-funds, the information need not be repeated, but instead a note may be used indicating that the

information is the same for all sub-funds; for required information that is different for each sub-fund, the information shall be presented separately and their differences compared.

D. Fund denominated in a foreign currency. State the currency in which the fund is denominated and that all receipts and payments of the subscription and redemption prices are made in that currency.

The term "main region/country of investment" and "main securities market of investment" as used respectively in subparagraph 8, items (1) and (2) of the preceding paragraph refers to any geographic region or country, or any foreign or overseas securities exchange market, as the case may be, in which the fund actually invests 10 percent or more of its net asset value as of the end of the month preceding the prospectus printing date.

Notwithstanding the foregoing, if the combined total of investments in all such regions/countries or securities exchange markets is less than 50 percent of the net asset value, the disclosure of the information on the "main region/country of investment" or "main securities market of investment" shall instead include a list of regions/countries or securities exchange markets in which the fund actual invests, arranged in descending order of investment percentage, that cumulatively account for 50 percent or more of the fund's total investments.

If no figure is available for the actual investment amount of the fund under the preceding paragraph, the SITE may instead use its projected figures.

#### Article 13-1

For environmental, social, and governance-themed funds, the following information shall be included:

1. Investment objectives and measurement standards: The main sustainable investment focus and objectives of the fund, and the relevance between the environmental, social, and governance (ESG) standards or principles adopted and the investment focus. The fund shall set one or more sustainable investment objectives and specify the evaluation benchmarks for measuring the degree of achievement of the sustainable investment objectives.
2. Investment strategy and method: The investment strategy type adopted by the management company to achieve the sustainable investment objectives, the specific method of integrating ESG factors into the investment process, the process of considering relevant ESG factors, and the assessment and measurement methods for these factors.
3. Proportional allocation of investment: The minimum proportion of the fund's net asset value that is to be held in investments related to the ESG investment focus, and how it will be ensured that the overall use of the fund assets will not cause significant damage to the sustainable investment objectives.
4. Reference performance benchmark: If the fund has set a benchmark for ESG performance, specify the characteristics of the benchmark and whether the benchmark is consistent with the relevant ESG investment focus of the fund.
5. Exclusion policy: Explain whether there is an exclusion policy for the investment of the fund and the types of exclusion.
6. Risk disclosure statement: Description of the risks related to the fund's ESG investment focus.
7. Participation in stewardship: The applicable stewardship policy and implementation method of the fund, and the methods or channels for accessing the management company's stewardship report.
8. Periodic disclosures: After offering and issuing the fund, the management company shall, within 2 months after the end of each fiscal year, make annual disclosures to investors on the company's website of the below-listed periodic assessment information, and disclose the address on which the periodic assessment information of the fund can be accessed, and the web address where the management company discloses information related to the stewardship report.
  - A. The actual investment weighting of the fund's asset composition that conforms to the ESG investment strategy and selection criteria.
  - B. If a reference performance benchmark has been set, a comparison of the differences between the fund' ESG screening criteria and the benchmark with respect to the screening criteria for constituent securities.
  - C. Stewardship actions that have been taken to achieve the sustainable

investment focus and objectives of the fund.  
9. Other information that the FSC requires to be included.

#### Article 14

The "investment risk disclosure" item shall include the following risk factors:

1. Risk of over-concentration in same-sector stocks.
2. Business cycle risk.
3. Liquidity risk.
4. Risk associated with foreign exchange controls and exchange rate fluctuations.
5. Risk associated with changes in the political or economic conditions of the geographic regions in which the fund invests.
6. Credit risk of the financial instrument counterparty and guarantor.
7. Risk associated with investment in structured products.
8. Risk associated with other underlying investments or specific investment strategies.
9. Risk of trading in securities-related instruments.
10. Risk associated with the lending of held securities or the borrowing of securities.
11. Other investment risks.

#### Article 15

The "distribution of gains" item shall include the following information:

1. Distribution items.
2. Timing of distributions.
3. Method of payment.

#### Article 16

The "subscription for beneficial certificates" item shall include the following information:

1. Subscription procedure, location, and deadline.
2. Calculation and method of payment of the subscription price.
3. Delivery of beneficial certificates.
4. The procedure to be followed in the event that the SITE does not accept subscription requests or that the fund is not successfully established.

#### Article 17

The "redemption of beneficial certificates" item shall include the following information:

1. Redemption procedure, location, and deadline.
2. Calculation of the redemption price.
3. Timing and method of payment of the redemption price.
4. Re-issuance of beneficial certificates.
5. Circumstances in which the payment of the redemption price may be subject to delay.
6. Circumstances in which redemption requests may be withdrawn.

#### Article 18

The "rights and fees undertaken by beneficial owners" item shall include the following information:

1. The various rights to which the beneficial owners are entitled.
2. The various fees and expenses payable by beneficial owners and how these fees and expenses are calculated (Table 4) and to be paid.
3. The various taxes to be borne by beneficial owners and how these taxes are calculated and to be paid.
4. Matters related to meetings of beneficial owners:
  - A. Circumstances in which meetings are convened.
  - B. Procedure for convening meetings.
  - C. Methods by which resolutions are passed.

#### Article 19

The "fund information disclosure" item shall include the following information:

1. The information required by laws and regulations or by the securities investment trust agreement to be disclosed.



2. How the information is disclosed and published and how to obtain the information.
3. If the SITE applies to offer an index fund or exchange-traded fund, describe the methods or channels by which investors may obtain the most up-to-date information on the fund (such as changes in index composition and comparisons of the differences in performance between the fund and the index) and other important information.

#### Article 20

Except as otherwise provided by law or regulation, a prospectus for a follow-on offering of a fund, or a quarterly updated prospectus for an open-end fund, shall include the following information on the use of the assets of the fund:

1. Status of investments, presenting the following information on the fund as of the end of the month preceding the prospectus printing date:
  - A. The components of total net assets, stated in dollars and as a percentage (Table 5).
  - B. If the fund invests 1 percent or more of its net asset value in any single stock, indicate the name, number of shares, and market price per share of the stock, as well as the dollar amount and ratio of the investment (Table 6).
  - C. If the fund invests 1 percent or more of its net asset value in any single bond, indicate the name of the bond as well as the dollar amount and ratio of the investment (Table 7).
  - D. For a fund that invests 1 percent or more of its net asset value in the beneficial certificates of any single fund, indicate that fund's name, management company, fund manager, management fee rate, custodian fee rate, number of beneficial units, net asset value per unit, and the number of beneficial units in which the fund invests, the investment ratio, and the time period for payment of the redemption price.
2. Investment performance:
  - A. A chart showing the movement in net asset value per unit over the most recent 10 fiscal years.
  - B. Indicate the dollar amount of income/gains distributed per beneficial unit for each of the most recent 10 fiscal years.
  - C. Indicate the fund's annual rate of return on net asset value for each of the most recent 10 fiscal years.
  - D. Indicate the fund's cumulative rate of return on net asset value, current as of the end of the quarter preceding the prospectus printing date, for the most recent 3 months, 6 months, 1 year, 3 years, 5 years, and 10 years, as well as since inception (see Table 8 for details of the formula for rate of return). For an index fund or exchange-traded fund, additionally provide a comparison showing the performance difference between the fund and the benchmark index.
3. Indicate the fund's expense ratio for each of the most recent 5 fiscal years: calculated as the ratio of the total amount of fees to be borne by the fund, as provided by the securities investment trust contract, to the fund's average net asset value.
4. Include the CPA audit reports, statements of net asset value, statements of investments, and statements of changes in net asset value with footnotes, of the fund for each of the most recent 2 fiscal years.
5. Indicate, for the most recent fiscal year and for the current year as of the end of the quarter preceding the prospectus printing date, the top 5 securities firms receiving orders from the fund to buy/sell securities (in terms of total dollar amount), specifying the name of and the amount of brokerage fees paid to each such securities firm. If any of these securities firms is a beneficial owner of the fund, also disclose the number and ratio of beneficial units it holds in the fund (Table 9).
6. If the fund is rated by a credit rating agency, disclose the credit rating agency's rating report on the fund.
7. Other matters for which disclosure is required.

#### Article 21

The "key elements of the securities investment trust agreement" item shall include the following information:

1. Name of the fund, name of the SITE, name of the fund custodian (or name

of the trust supervisor, in the case of a trust enterprise that concurrently operates securities investment trust business and that has obtained approval from the FSC to keep fund assets in its own custody), and duration of the fund.

2. Total face value and total number of beneficial units.
3. Issue and certification of beneficial certificates.
4. Subscription for beneficial certificates.
5. Conditions for successful or unsuccessful establishment of the fund.
6. Listing and delisting of beneficial certificates.
7. Assets of the fund.
8. Fees payable by the fund.
9. Rights, obligations, and liabilities of beneficial owners.
10. Rights, obligations, and liabilities of the SITE.
11. Rights, obligations, and liabilities of the fund custodian (or of the trust supervisor, in the case of a trust enterprise that concurrently operates securities investment trust business and that has obtained approval from the FSC to keep fund assets in its own custody).
12. Fundamental policies and scope for the use of fund assets to invest in securities.
13. Distribution of gains.
14. Redemption of beneficial certificates.
15. Calculation of the fund's net asset value and the net asset value per beneficial unit.
16. Replacement of SITE.
17. Replacement of fund custodian (or of trust supervisor, in the case of a trust enterprise that concurrently operates securities investment trust business and that has obtained approval from the FSC to keep fund assets in its own custody).
18. Termination of the securities investment trust agreement.
19. Liquidation of the fund.
20. Register of beneficial owners.
21. Meetings of beneficial owners.
22. Notifications and public announcements.
23. Amendment of the securities investment trust agreement.

The following statement shall be made in a prominent manner: "Pursuant to Article 20 of the Securities Investment Trust and Consulting Act and Article 21, paragraph 1 of the Regulations Governing Securities Investment Trust Enterprises, a SITE shall make the securities investment trust agreement available for review by investors at its place of business and at the places of business of its distributors, or through other means designated by the competent authority. The SITE shall provide a copy of the securities investment trust agreement to an investor upon request, and may charge NT\$100 for the provision of the copy."

#### Article 22

The "overview of the SITE" item shall include the following information:

1. Profile of the enterprise, specifying:
  - A. Date of establishment.
  - B. Process of capital formation over the most recent 3 years (Table 10).
  - C. Lines of business.
  - D. History, indicating, for the most recent 5 fiscal years, any fund offered, branch or subsidiary established, share transfer or change of director, supervisor or major shareholder, change of control, and any other important event.
2. Enterprise organization, indicating the following information on the SITE as of the end of the month preceding the prospectus printing date:
  - A. Distribution of equity ownership:
    - a. Shareholder structure, specifying the composition percentage of each class of shareholders (Table 11).
    - b. Register of major shareholders, indicating the name of each shareholder having shareholding of 5 percent or more, and the number and percentage of the shares held (Table 12).
  - B. Organizational system, indicating the organizational structure of the SITE, the type of business operations conducted by each principal department (or, in the case of a trust enterprise, by the department that is responsible for its concurrent operation of securities investment trust

business), and the number of staff members.

C. Names of the SITE's general manager, vice general manager, and division heads (or, in the case of a trust enterprise, the head of the department that is responsible for its concurrent operation of securities investment trust business), the dates they assumed their duties, the number and percentage of shares they hold in the SITE, their major work experience and/or educational background, and, if applicable, any concurrent positions they hold at another company at the time (Table 13).

D. Names of directors and supervisors and their appointment dates, terms of office, number and percentage of shares held in the SITE at time of appointment and at the present time, and major work experience and/or educational background (See Table 14).

3. Interested company disclosure, identifying any company having any of the following relationships with the SITE as of the end of the month preceding the prospectus printing date:

A. A company that has a relationship with the SITE as set out in Chapter VI-I of the Company Act.

B. A director or supervisor of the SITE, or a shareholder with a combined shareholding of 5 percent or more in the SITE.

C. A person under the preceding item, or a managerial officer of the SITE, who is also a director, supervisor, managerial officer, or a shareholder holding 10 percent or more of the total number of issued shares of the given company, or who is the spouse of such a person (Table 15).

4. Operating status:

A. Indicate the name, date of establishment, number of beneficial units, amount of net assets, and net asset value per unit, of any other fund managed by the SITE, current as of the end of the month preceding the date of printing (Table 16).

B. Include the CPA audit reports, balance sheets, statements of comprehensive income, and statements of changes in equity of the SITE for the most recent 2 fiscal years.

5. Penalties received, indicating the time and details of any disciplinary action/sanction or official reprimand received by the SITE from the FSC during the most recent 2 years.

6. Litigious or non-litigious events, indicating, if currently there is any material case pending in a litigious, non-litigious, or administrative contentious proceeding by or against the SITE, the result of which is likely to materially affect the interests of the beneficial owners, the facts in contention, the monetary value of the subject matter, the date on which the proceeding commences, the principal parties involved, and the current status of the proceeding.

#### Article 23

The "special disclosures" item shall include the following information:

1. A written statement that the SITE is in compliance with the Self-Regulatory Agreement for Members of the Securities Investment Trust and Consulting Association of the ROC (SITCA).

2. A Statement on Internal Control (SIC) of the SITE.

3. The SITE shall specify the following information regarding its corporate governance practices:

A. Structure and independence of the board of directors.

B. Duties of the board of directors and managerial officers.

C. Composition and duties of supervisors.

D. Rights and relationship of interested parties.

E. Details regarding information statutorily required to be disclosed.

F. Other information relevant to corporate governance.

4. A chart showing a comparison between the content of the trust agreement for the fund of the present issue and that of the model agreement.

5. Other information specified by the FSC as a matter of special disclosure.

#### Article 24

A simplified prospectus, which contains in summary form the key information provided in a prospectus, shall include the following information:

1. The following statements, printed conspicuously:

A. This simplified prospectus contains in summary form the key information

- provided in the prospectus. The names, terms and expressions used in the simplified prospectus have the same meaning as they have in the prospectus.
- B. Details of the rights and obligations of investors after subscription for this fund are provided in the prospectus. Investors are advised to consult the prospectus if they intend to subscribe for this fund.
2. Basic fund information, specifying the name, type, structure of the fund, the denominated currency, the guarantor institution, the establishment date, the duration, the region(s) of investment, distribution of gains, performance indicators, the management company, the fund custodian institution, the appointed management institution, the offshore investment consulting company, as well as the information required by Article 11, subparagraph 24.
  3. The investment scope and characteristics of the fund.
  4. The key risks of investing in the fund.
  5. Use of assets of the fund, specifying:
    - A. The components of total net assets, stated in dollars and as a percentage.
    - B. The information required by Article 20, subparagraphs 2 and 3.
  6. Risk disclosure statements, containing the statements required by Article 6, paragraph 1, subparagraph 11, items (1) through (4).
  7. Profile of the typical investor for whom the fund is suitable.
  8. The various fees and expenses payable by beneficial owners and how these fees and expenses are calculated (Table 4).
  9. The various taxes to be borne by beneficial owners and how these taxes are calculated.
  10. When and how the net asset value of the fund is publicly disclosed.
  11. Availability of the prospectuses: The prospectuses shall be made available at the places of business of the fund management company and its fund distributors, as well as on the information reporting website designated by the FSC and the website of the fund management company.
  12. Printing date.

The model template for simplified prospectuses shall be drafted by the Securities Investment Trust and Consulting Association and submitted to the FSC for approval and adoption.

#### Article 25

When a SITE offers a securities investment trust fund, it shall, on a day which is 3 days before the offering commencement date of the fund, and in a format required by the FSC, transmit an electronic file of the prospectus to the information reporting website designated by the FSC, and also make the prospectus and simplified prospectus available at its place of business and at the places of business of its fund distributors. Notwithstanding the foregoing, in the case of a follow-on offering of the fund, the SITE shall transmit the prospectus to the aforementioned information reporting website within 3 days from the date of receipt of the FSC's approval letter.

Before a subscriber delivers a subscription request form or completes the payment of the subscription price, the SITE or fund distributor shall deliver the simplified prospectus, and further, upon request, provide the prospectus to the subscriber.

The simplified prospectus and prospectus under the proceeding paragraph may be delivered or provided by means of electronic media if the subscription is made by electronic trading or with the written consent of the subscriber.

When the SITE updates a prospectus on a quarterly basis pursuant to Article 5 or otherwise amends a prospectus from time to time, it shall, within 3 days of the updating or amendment, transmit an electronic file of the updated or amended prospectus to the information reporting website designated by the FSC.

#### Article 26

These Regulations shall enter into force from the date of issuance, except for Article 22 amended and issued on 27 July 2012, which shall enter into force from fiscal 2013.