

The slide features a dark blue background with a grid of white dots and a globe in the top right corner. The TSCD logo is on the left. The text is centered and reads: "Developments and Reforms in Taiwan Financial Market", "Taiwan Securities Central Depository", "Michael Lin", and "October 7, 2005". A small number "1" is in the bottom right corner.

The slide has a light blue background with a white border. The word "Contents" is centered in orange. Below it is a bulleted list: "• The Establishment of FSC", "• Changes in Securities Market", and "• Recent Developments of TSCD". A small number "2" is in the bottom right corner.

### The Establishment of FSC

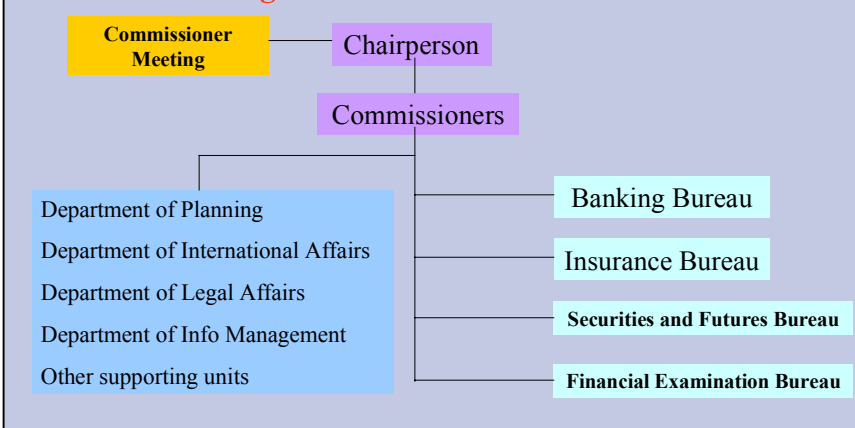
In order to promote an integrated financial supervision, the Financial Supervisory Commission was established on 1 July 2004.

The primary objectives of the Commission are to consolidate the supervision of banking, securities and insurance sectors, and to act as a single regulator for all of these industries.

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### The Establishment of FSC

#### Organizational Structure of SFC



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## The Establishment of FSC

### Functions of FSC

- Single financial regulator
- Independent authority at cabinet level
- Stronger law enforcement

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## The Establishment of FSC

### Missions of FSC

- Maintain financial stability
- Accelerate internationalization and deregulation
- Facilitate healthy investment environment and increase market confidence
- Educate and protect investors

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## Changes in Securities Market

- Registration of Foreign Investors
- Extended Settlement Deadline for Foreign Investors
- Relaxation on Trading System
- Securities Lending and Borrowing
- New Offshore Fund System

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## Changes in Securities Market

### Registration of Foreign Investors

- Foreign Investors can invest in Taiwan by registering with TSEC, no prior approval is required.
- Registration is process on-line between TSEC and the custodian bank
- The rules have also been relaxed for those who wish to open multiple trading accounts

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## Changes in Securities Market

### Extended Settlement Deadline for Foreign Investors

- Settlement deadline is extended to 6 p.m. on T+3
- The extension rule is applicable to settlement delays due to :
  1. Holiday / time zone differences
  2. Communication disruption
  3. Disputes on the terms of trades
  4. Acts of God

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## Changes in Securities Market

### Relaxation on Trading System

- Reduce the tick of the stock trading
- Extended trading hour and price range for block trading
- Relaxation on securities transferring between different accounts of the same beneficiary owner
- Short selling permitted to the Taiwan 50 index constituents

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## Changes in Securities Market

### Securities Lending and Borrowing

- Abolish the requirement that security borrowing had to be connected with a “strategic purpose”
- Remove the on-shore collateral requirement when the borrower and the lender are both foreign investors

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## Changes in Securities Market

### New Offshore Fund System

- New distribution mechanism  
Other than banks, new distribution channels including SITEs, SICEs, and securities brokers
- General agent system
  1. Better investor service and protection
  2. Centralized information platform

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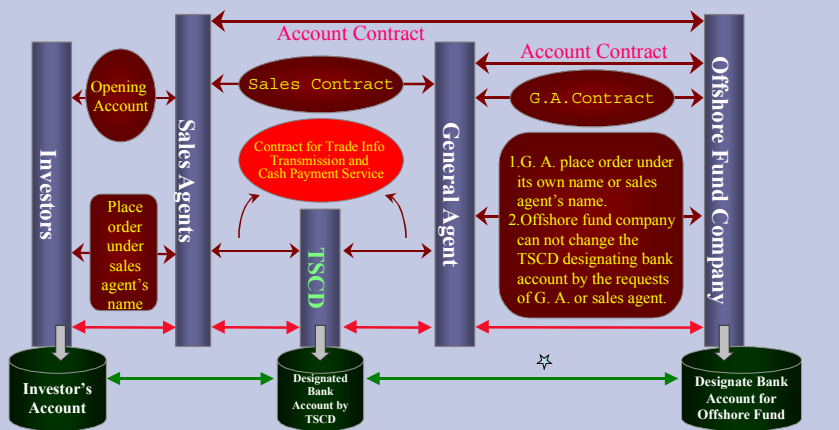
### Recent Developments of TSCD

- Platform Service for Offshore Fund Market
- Merging with DIDC

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### Recent Developments of TSCD

#### Platform Service for Offshore Fund Market



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## Recent Developments of TSCD

### Platform Service for Offshore Fund Market

- **Features of the New Offshore Fund System**
  1. Investors place order under the name of the sales agent, and the order will be placed by the G. A. to the offshore fund company
  2. Cash payment will be implemented between designated bank accounts of TSCD and the offshore fund company

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**Thank You!**

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