

SMI Markets: Taiwan

Date: 18 Mar 2014

CMIRR Markets: Taiwan

CSDs: TDCC (Taiwan)

## Amendments to Regulations on Foreign Investment in the Securities Market - Update

Further to our previous newsflash, the Financial Supervisory Commission (FSC) announced the requirements for local securities companies to act as custodians for Foreign Institutional Investors (FINI) and Foreign Individual Investors (FIDI).

Approved local securities companies acting as custodians for FINIs / FIDIs can handle activities related to the investment in Taiwan, such as securities safekeeping, trade affirmation, securities settlement and regulatory reporting. However, the clients' funds must be safekept in the cash account of a licensed bank approved by the FSC.

Eligible securities companies are required to have net worth of TWD 10 billion, which shall not less than the paid-in capital. The capital adequacy ratio shall also be more than 200% during the six-month period prior to the application.

The circular was issued on 11 March 2014 with immediate effect. The official announcement can be viewed here: [FSC Circular No. 1030005251](#) (in Chinese).

## Market Information Impact

### Taiwan

This information affects the data contained in the Market Entry Requirements sections of the Securities Market Information Service.

## Infrastructure Risk Ratings Impact

### Taiwan

Market Rating: A+

Market Flash Impact: Stable

Eligible securities companies who opt to provide custodian services shall comply with the capital requirement and minimum capital adequacy ratio set by the FSC, and will also be required by the Taiwan Depository & Clearing Corporation (TDCC) to comply with the depository's requirements for custodian participants.

## CSD Risk Impact

### TDCC (Taiwan)

CSD Rating: A+

CSD Flash Impact: Stable

Eligible securities companies who opt to provide custodian services shall comply with the capital requirement and minimum capital adequacy ratio set by the FSC, and will also be required by the Taiwan Depository & Clearing Corporation (TDCC) to comply with the depository's requirements for custodian participants.

Related Flash: [Amendments to Regulations on Foreign Investment in the Securities Market - Update, 13/02/2014 \(click to view\)](#)

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