

Major Events in 2007

January

- January 15 TWSE and FTSE officially launched the "Taiwan Eight Industries Index" and the "Taiwan Dividend+ Index," which were co-compiled by the two organizations.
- January 29 TWSE slightly adjusted the current block trading system. The market trading period was extended from 10 minutes to 20 minutes, and the bid-offer price range was relaxed from 2% to 3.5%.

February

- February 9 To celebrate its 45th anniversary TWSE hosted a "Capital Market Development Trends Seminar."
- February 15 TWSE amended 9 articles of "Taiwan Stock Exchange Corporation Rules Governing Review of Securities Listings" and "Supplementary Provisions to the Taiwan Stock Exchange Corporation Rules for Review of Securities Listings." These included amendments to the profitability criteria, the simplification of stock depository systems and the relaxation of rules governing companies who have transferred from GTSM to TWSE. TWSE also reviewed essential standards for companies not eligible for listing.

March

- March 2 TWSE entered into a Memorandum of Understanding with the Japan Osaka Stock Exchange.
- March 6 FSC revised Article 16 of "Regulations Governing Borrowing or Lending Money in Connection with Securities Business by Securities Firms," ruling that the lending amount for securities companies to institutional investors is NT\$1 billion (US\$30.45 million).
- March 16 FSC partially revised "Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies." The revisions now stipulate that the transfer price of repurchased shares which are transferred to employees is not allowed to fall below the average price of the repurchased stocks. However, companies which fulfill certain criteria may be able to transfer repurchased stocks to employees at a lower than average price.

April

- April 11 FSC signed a Memorandum of Understanding with the India Securities and Exchange Commission, and Jordan Securities and Exchange Commission.
- April 11 TWSE signed a Memorandum of Understanding with the Bombay stock exchange.





3,235,463
16,162,094
3,014,916
186,255
28,056,906

ENHANCE THE INTERNATIONAL VISIBILITY OF CORPORATE GOVERNANCE IN TAIWAN



May

- May 14 FSC announced that securities companies who buy and sell securities for their own accounts could be referred as "Offerees," following the definition in the Article Four of "Regulations Governing Tender Offers for Purchase of the Securities of a Public Company" which is based on the Securities and Exchange Act Articles 43-1 paragraph 4.
- May 18 FSC explained rules governing pair trade for insiders, including board of directors of public companies, supervisors, managers or shareholders holding more than 10% of total shares of the company. The transfer of company shares by means of the block trading system should only be carried out by the person who specifically meets the conditions stated in the Securities and Exchange Act Article 22-2 Paragraph 1 subparagraph 3.
- May 29 The TWSE, TAIFEX and TDCC signed a Memorandum of Understanding with Deutsche Börse AG.

June

- June 1 FSC amended "Regulations Governing the Offering and Issuance of Securities by Foreign Securities Issuers". Some major points include: allowing branches of foreign financial institutions to issue common corporate bonds in Taiwan, allowing foreign issuers to primarily list corporate bonds in foreign currencies, and relaxing the restriction of offering plan on specifying the trustees and the governing law of the contract.
- June 15 FSC allowed offshore overseas Chinese and foreign nationals to borrow securities from securities financing enterprises, exempting them from Article 21 Subparagraph 2 and 3 of the "Regulations Governing Investment in Securities by Overseas Chinese and Foreign Nationals", which stipulates that foreign investors should not sell securities they do not hold, and that they may not provide collateral.

July

- July 1 Dr. Rong-I Wu succeeded as Chairman of TWSE.
- July 2 Industry categories of listed companies were changed to 29 categories, adding "Oil, Gas and Electricity Industry," separating "Chemical" and "Biotechnology & Medical Care Industry," and reorganizing the Electronic industry into 8 categories.
- July 2 TWSE established "Financial Indicators Area," providing investors with summaries of financial information.
- July 2 TWSE adjusted the current securities lending system and modified the computer system. These modifications include extending the trading hours of securities lending from 2:30 to 3:00 pm, and allowing borrowers to sell borrowed securities from other personal securities accounts.
- July 23 TWSE announced that the payment system of securities market settlement fund would be switched to CBC Interbank Funds transfer System (CIFS) system.

August

- August 12 FSC agreed that credit cooperatives could carry out domestic mutual fund sales and act as distribution organizations.
- August 21 FSC announced revisions to the security lending volume controls. The revisions include: 1. security selling amount and margin trade selling amount combined should not surpass 25% of its listed shares or beneficiaries units. 2. the security lending selling amount should not surpass 10% of its shares or beneficiaries units. 3. the intra-day security lending selling volume should not be more than 3% of its shares or beneficiary units.



September

- September 1 Mr. Song-Chin Su succeeded as President of TWSE.
- September 11 FSC revised the basis for calculating the stock price of employee bonus distributions. The stock price calculation basis should be the closing price on the last trading day of the last accounting year for the listed companies, or the most recent net value of the company as reviewed by an accountant for non-listed companies.
- September 21 TWSE amended "Rules Governing Review of Securities Listings," "Operating Rules of the Taiwan Stock Exchange Corporation," and "Operational Procedures for the Review of Foreign Securities for Listing by the Taiwan Stock Exchange Corporation."

October

- October 2 FSC amended partial rules of "Standards Governing the Establishment of Securities Firms," allowing futures companies to operate securities broker/dealer businesses.
- October 5 FSC announced that the lowest capital amount of a financial holding company as stipulated in Article 12 of Financial Holding Company Law is NT\$60 billion.



November

- November 9 FSC amended partial rules of "Regulations Governing the Offering and Issuance of Securities by Securities Issuers", simplifying the offshore fund raising filing process for issuers. The process has been shortened to 20 business days from 30 business days. For capital reduction cases of listed companies, filing effective dates have been shortened to 12 business days from 30 business days. The new IPO filing effective period for listed companies which transfer from TWSE (GTSM) to GTSM (TWSE) are now shortened to 7 business days from the previous 12 business days.
- November 20 FSC amended "Rules Governing Securities Firms Engaging in Consigned Trading of Foreign Securities". A securities firm is not allowed to accept trading orders of foreign securities of the following types: 1. Securities traded in Mainland China Markets, 2. Securities traded in the Hong Kong market but issued or managed by the Mainland China government or companies, 3. Securities issued by a company which is a constituent of the Hang Seng China Enterprises Index, 4. Securities traded in the Hong Kong or Macau markets but issued by company of which the Mainland China government or companies owns a 30% share, directly or indirectly.

December

- December 12 TWSE held "2007 Taiwan Investment Forum" in Abu Dhabi. Chairman Dr. Rong-I Wu signed a Memorandum with Mr. Tom Healey, CEO of Abu Dhabi exchanges.
- December 17 FSC amended 9 Articles of "Regulations Governing Securities Firms", including the relaxation of management of products, trading scope for securities and institutional investors, opening currencies hedge for securities firms, and allowing securities firms to operate structured products and allowing equity-link derivatives to short and hedge with securities borrowing, excluding the restriction that prices of short sale and security borrowing should be lower than the closing price of the prior date, strengthening the scheme for managing securities firms operating foreign securities business and improving measures to prevent money laundering.
- December 21 TWSE amended Articles 28-1 of "Operating Rules of the Taiwan Stock Exchange Corporation", allowing securities firms to have 3-month watch period in which to raise the capital adequate ratio after capital reduction.