



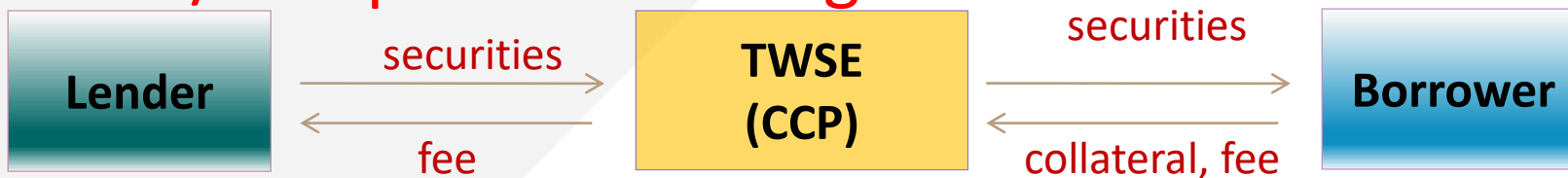
Taiwan SBL Market

Jan. 2024

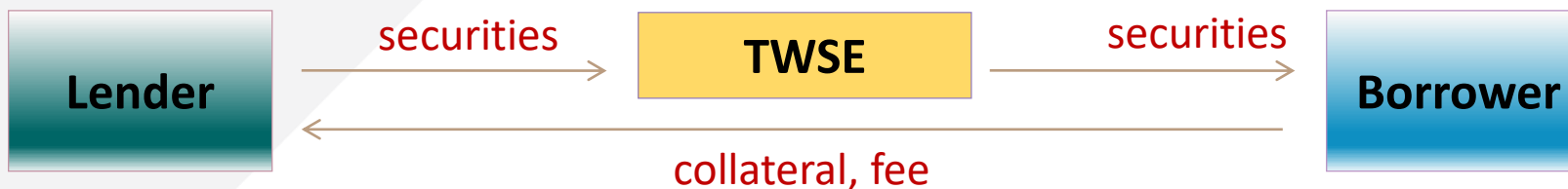
Taiwan SBL structure

- Borrow/Lend via TWSE SBL System

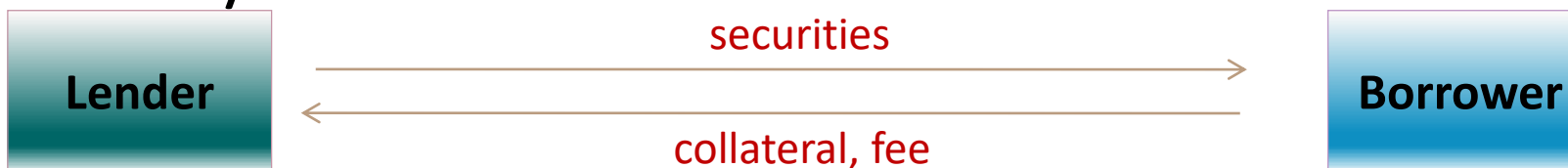
- Fixed-rate/Competitive Bidding



- Negotiated Trade



- Borrow from / lend to Securities Firms



SBL Market Statistics

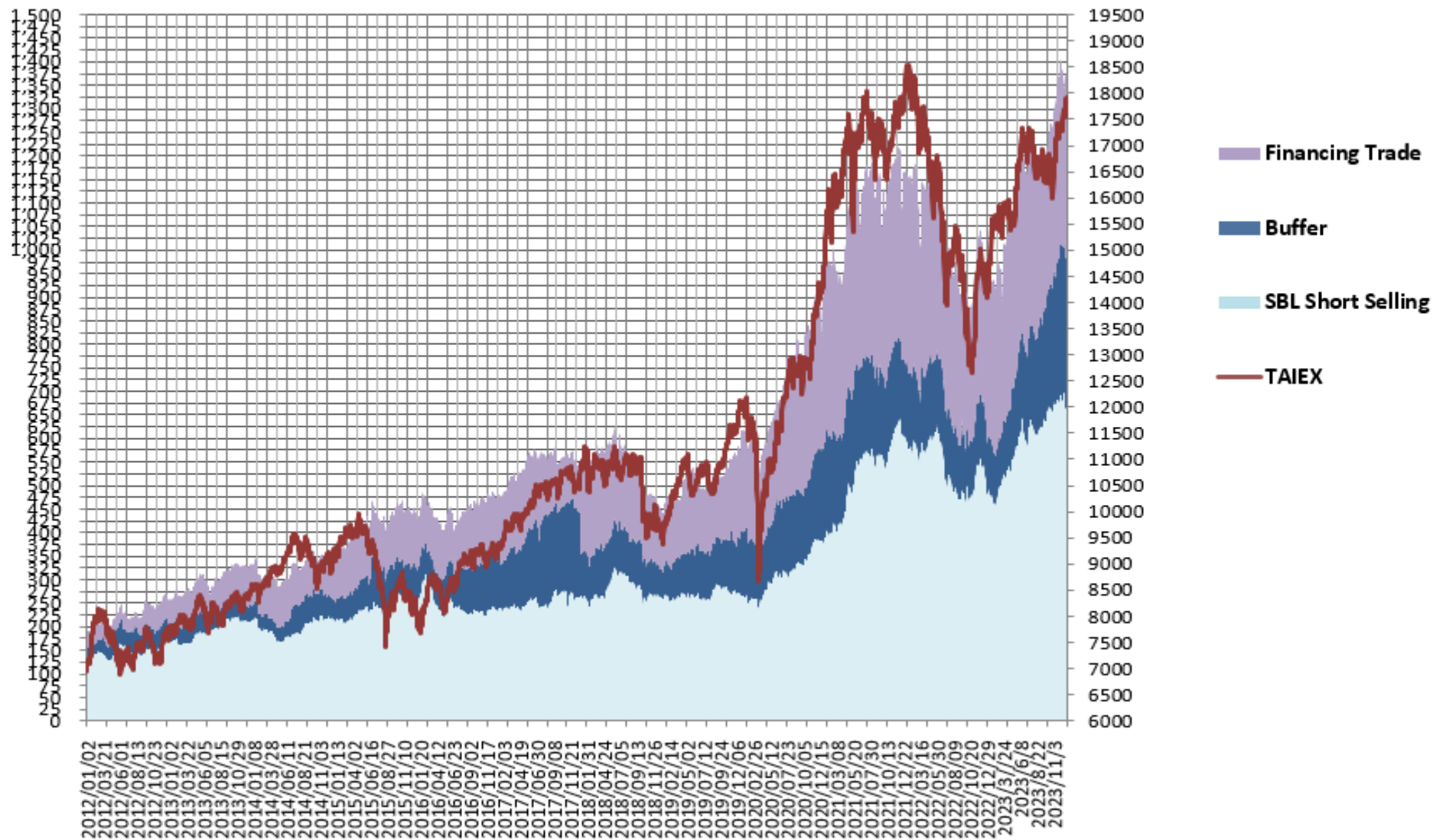
- SBL Balance & TAIEX
- SBL Balance Value
- SBL Transaction/Short Selling Value
- SBL Participants Share



SBL Balance & TAIEX

SBL Bal.(NTD Billions)

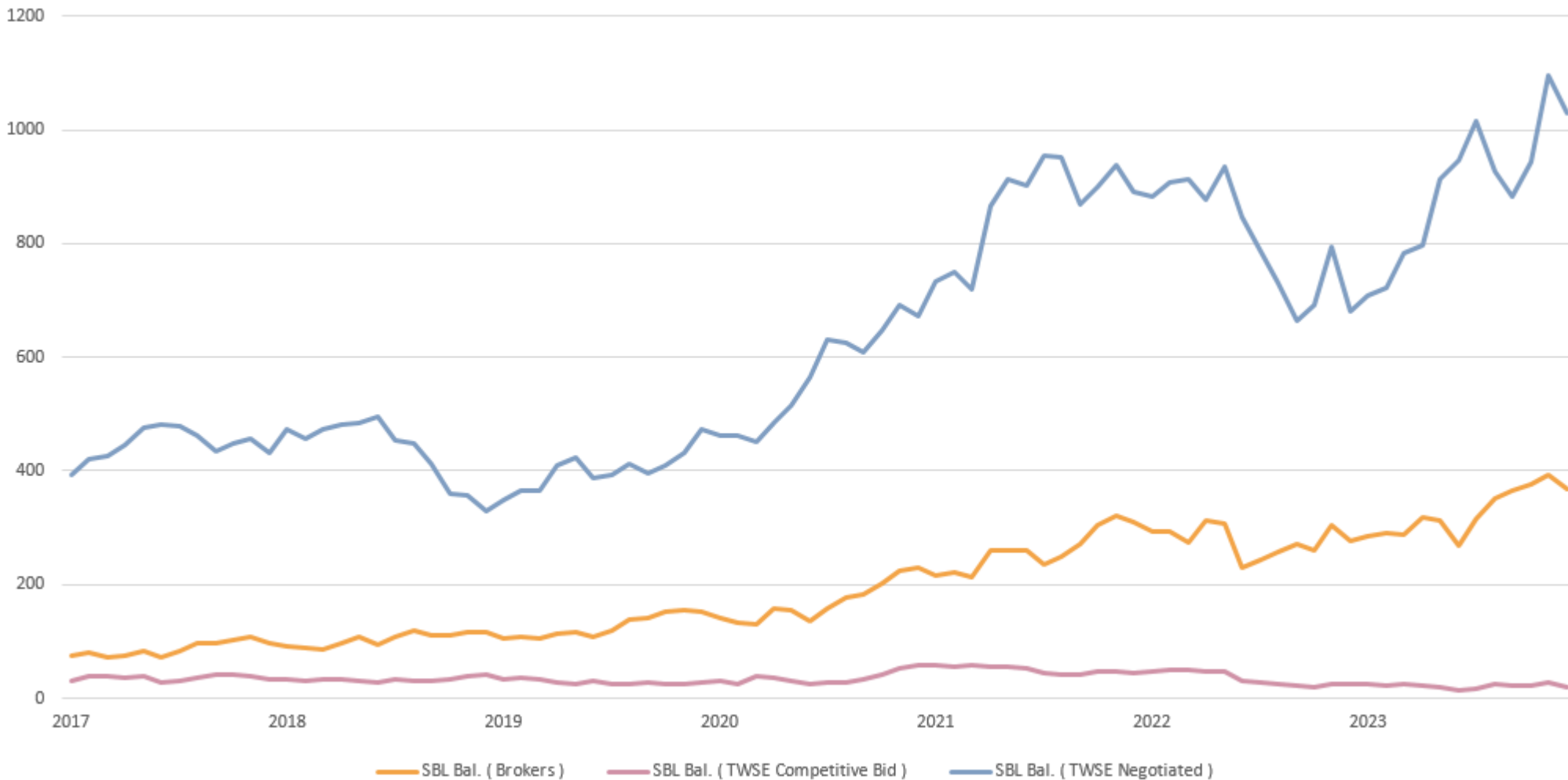
TAIEX



2017-2023 Market Activity

SBL Balance Value

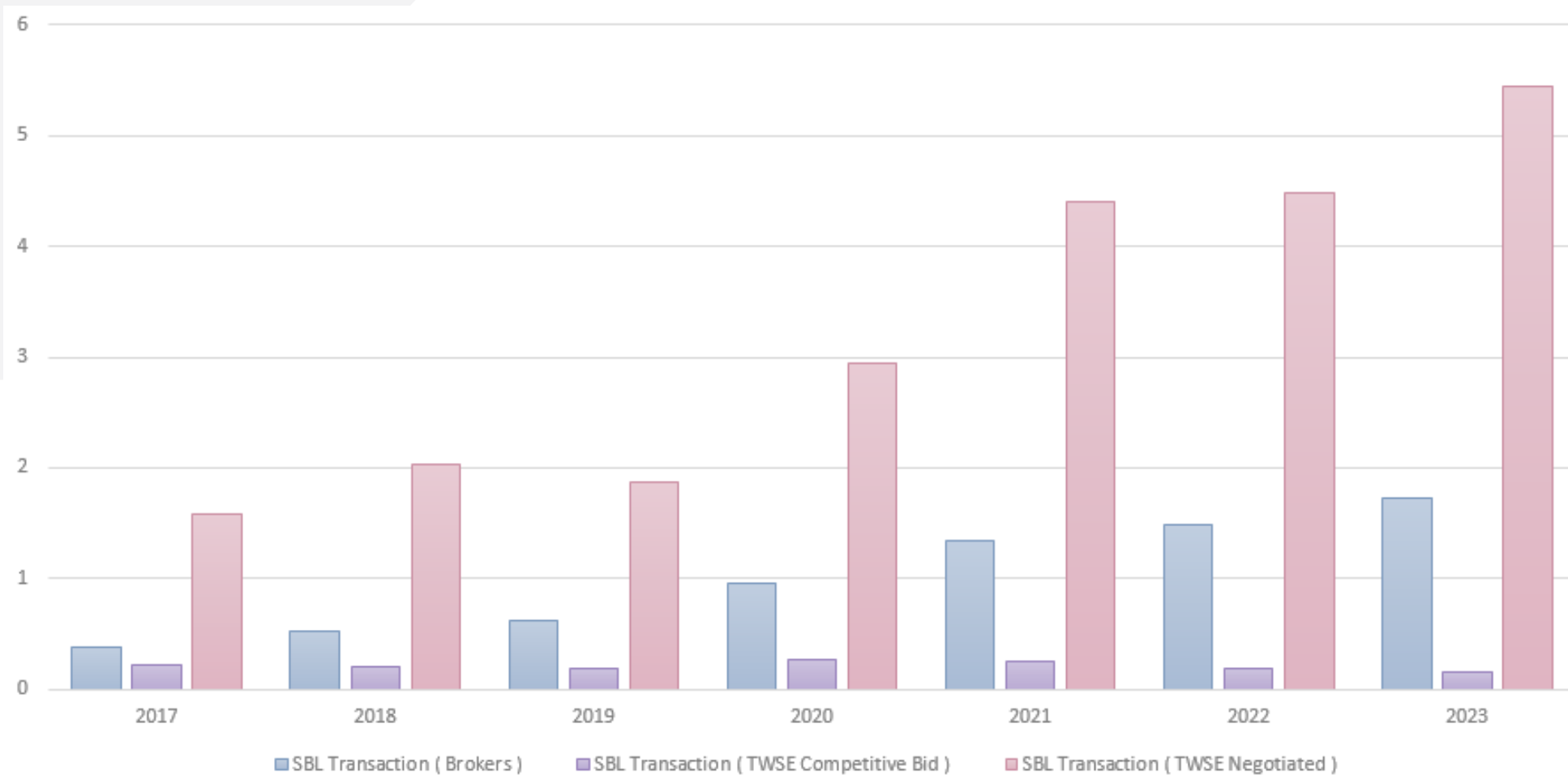
(NTD Billions)



2017-2023 Market Activity

SBL Transaction Value

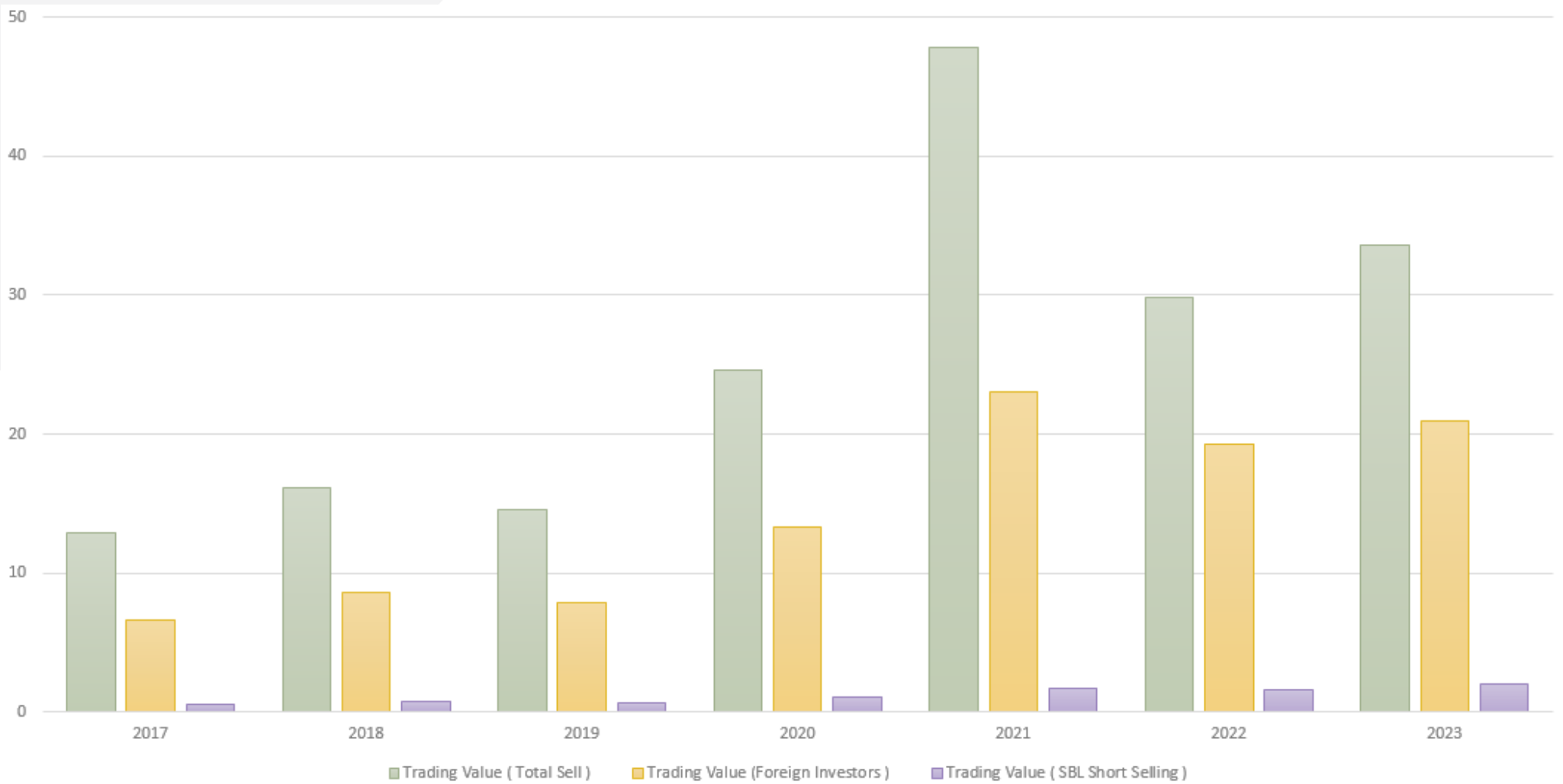
(NTD Trillions)



2017-2023 Market Activity

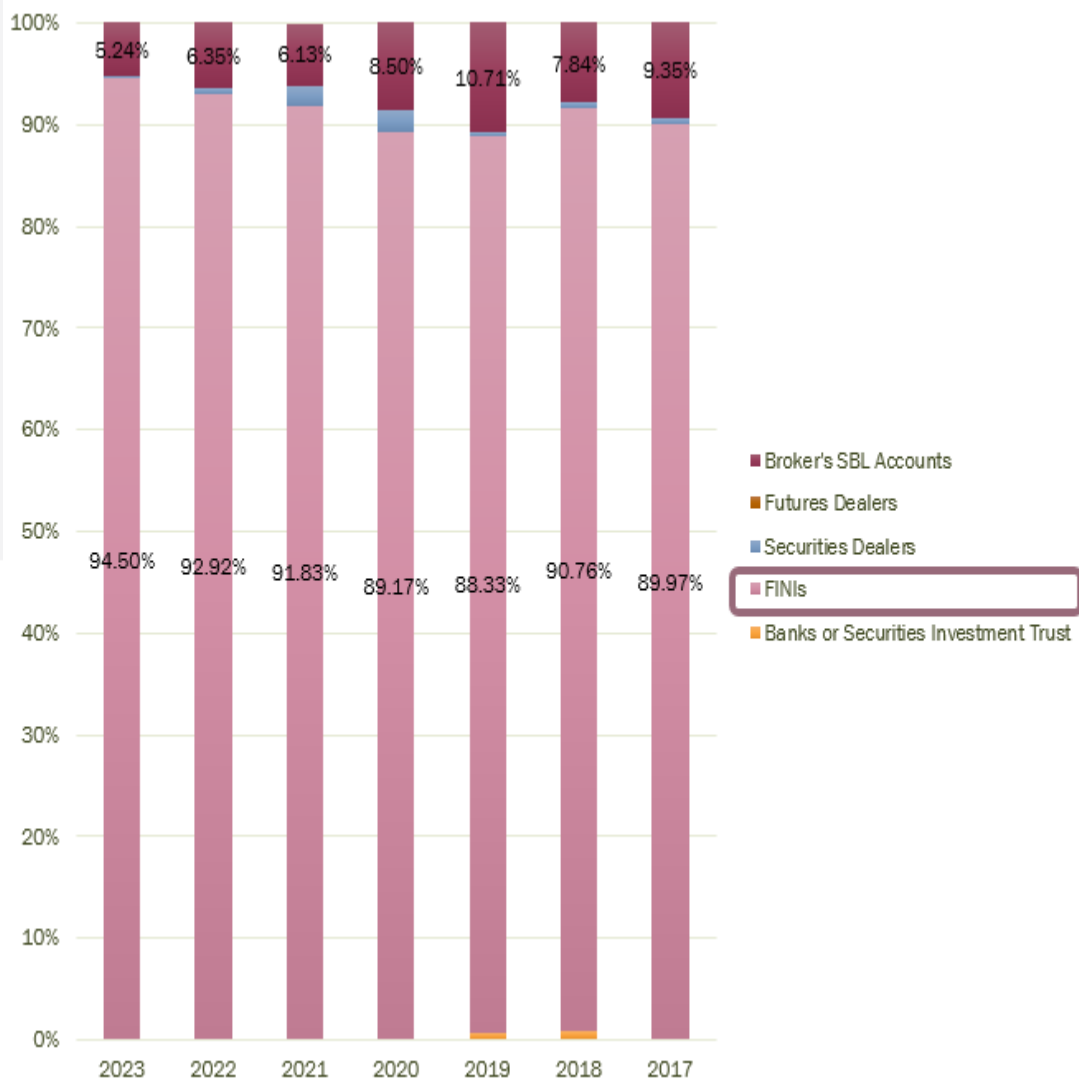
Short Selling Value

(NTD Trillions)

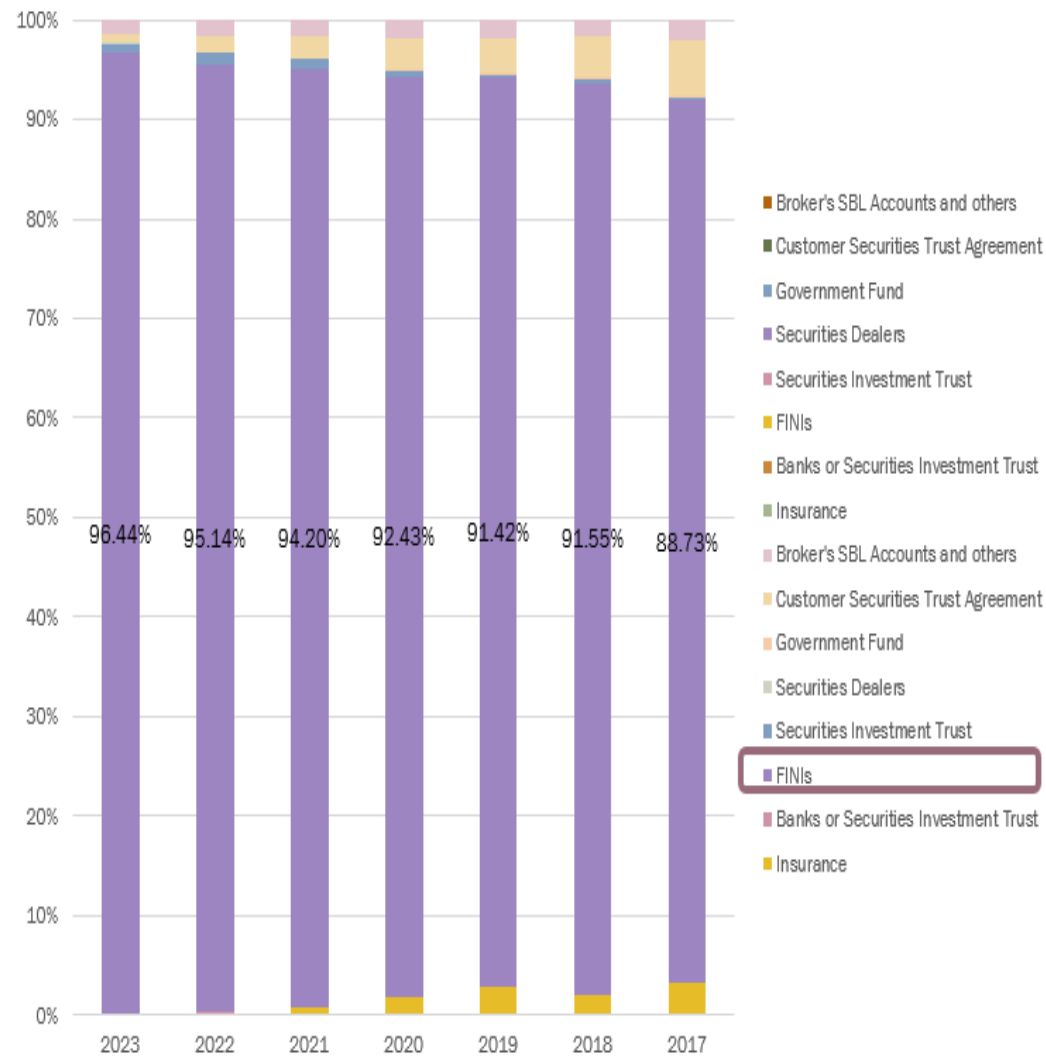


SBL Participants Share

• Borrowers



• Lenders

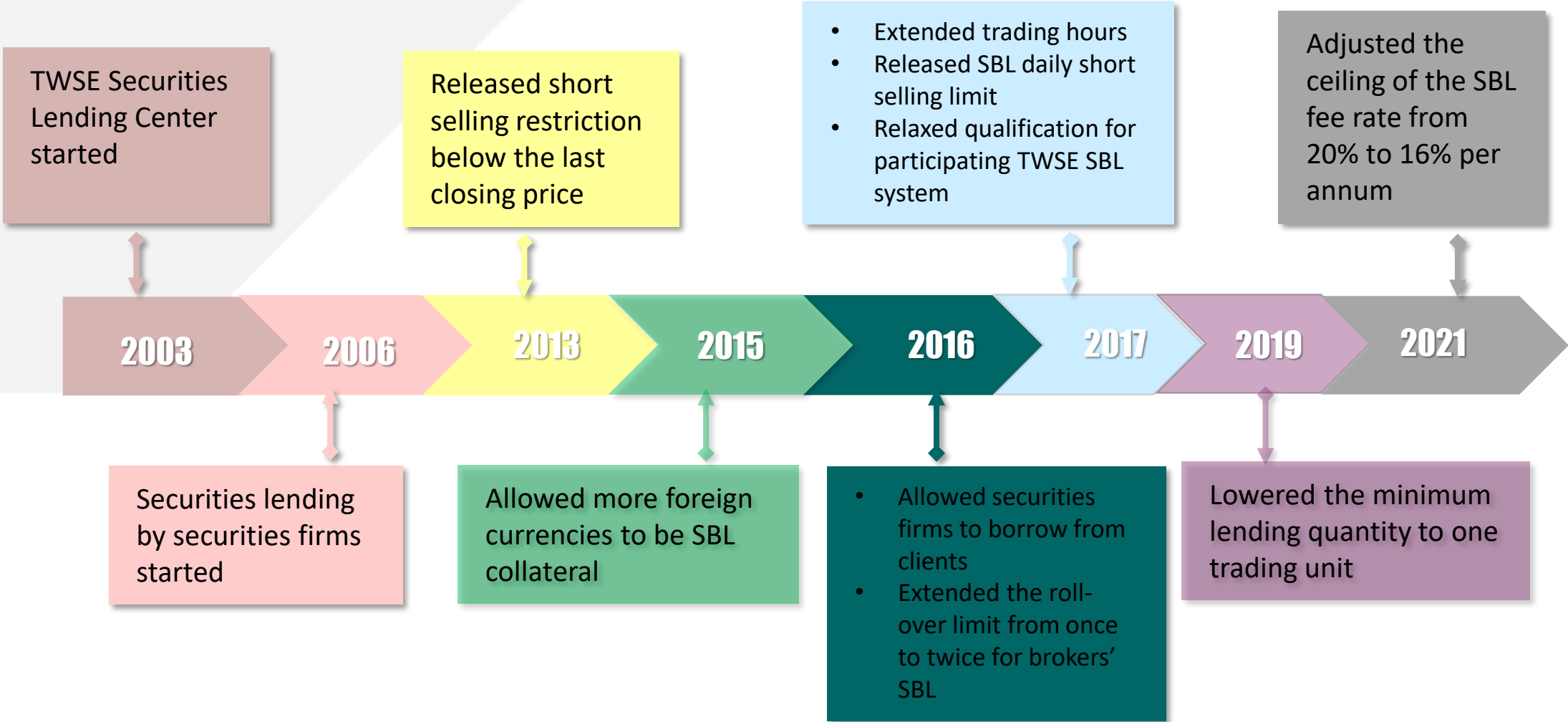


Introduction

- SBL Milestones
- SBL Market Features
- SBL Market Reforms



SBL Milestones



SBL Market Features

SBL Market Features		
	TWSE SBL	SBL by Brokers
Trading hours	9:00 – 15:30	9:00 – 15:30
Duration	<ul style="list-style-type: none"> •six months •Allowed to roll over twice 	<ul style="list-style-type: none"> •six months •Allowed to roll over twice
Participants	<ul style="list-style-type: none"> •Domestic corporations, funds, and offshore foreign institutional investors 	<ul style="list-style-type: none"> •Securities firms •Brokers' clients
Transaction types	<ul style="list-style-type: none"> •Fixed-rate, competitive bid-TWSE as CCP •Negotiated 	Negotiated
Securities Eligible for SBL	<ul style="list-style-type: none"> •Securities eligible for margin trading •Underlying securities of issued call/put warrants, stock options, stock futures, overseas issued depository receipts, overseas and domestically issued convertible corporate bonds and exchangeable corporate bonds •Constituent stocks of ETFs 	

SBL Market Features

SBL Market Features		
	TWSE SBL	SBL by Brokers
Eligible collateral	<ul style="list-style-type: none"> •Cash (TWD, GBP, USD, AUD, HKD) •Bank guarantee •Stocks eligible for margin trading •Government bonds 	
SBL short selling limits	<ul style="list-style-type: none"> •Daily maximum short selling of borrowed stocks cannot exceed 30% of the average trading volume during the previous 30 business days per stock. •Maximum short selling of borrowed stocks cannot exceed 10% of outstanding shares per stock. •The total volume of short selling of borrowed stocks and margin short sales cannot exceed 25% of outstanding shares per stock. 	

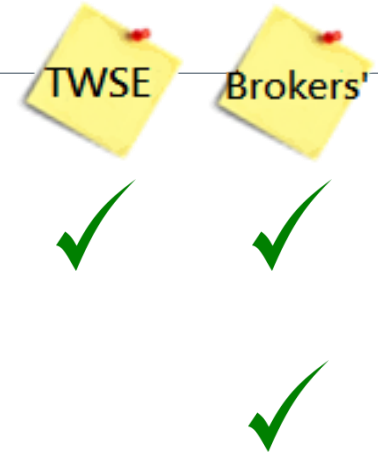
SBL Market Features

SBL Market Features		
	TWSE SBL	SBL by Brokers
Collateral ratio	<ul style="list-style-type: none"> •140% (Fixed-rate, Competitive bid) •Set by the parties involved (Negotiated) 	140%, while brokers are allowed to negotiate the ratio with professional institutional investors
Maintenance ratio	<ul style="list-style-type: none"> •120% (Fixed-rate, Competitive bid) •Set by the parties involved (Negotiated) 	120%, while brokers are allowed to negotiate the ratio with professional institutional investors
Disposal of collateral	Fail to return underlying securities, pay entitlement compensation, cover collateral shortfall and pay related fees	Same to TWSE SBL, unless the parties agree otherwise.
Event of default	After disposal of collateral, if remained obligations are not satisfied in time limit noticed, the TWSE will terminate the defaulter's participation in SBL market.	

SBL Market Reforms

2015

- More foreign currencies are available as SBL collateral starting Mar. 30, 2015.
- Brokers were allowed to set collateral ratio when lending to professional institutional investors starting Jun. 1, 2015.



2016

- Allowed brokers to borrow securities from customers
- Adjusted the eligible securities allowed for broker's SBL in line with the TWSE SBL System
- Canceled the client borrowing limits of broker's SBL
- Extended the roll-over limit from once to twice



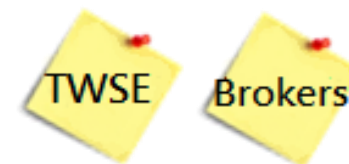
SBL Market Reforms

2017

- Extended SBL trading hours, from 9:00 - 15:00 to 9:00 - 15:30 starting Mar. 30, 2015
- Relaxed the percentage restriction on daily short sales(Feb. 23)-30% of average trading volume during the previous 30 business days
- Integrated the SBL related official interpretation
- Extended the roll-over limit from once to twice.
- Removed QFII restrictions in the TWSE SBL System.



SBL Market Reforms



2019

- Established a pre-matching system and an info-exchange platform in order to increase efficiency of daily trading process between brokers and custodian banks



2019

- Lowered the minimum lending quantity from 10 trading units to one trading unit starting Sep. 30, 2019



2021

- Adjusted the ceiling of the SBL fee rate from 20% to 16% per annum starting Jul. 20, 2021



Information Disclosure

- Market Information System
- SBL Disclosure



Market Information System

Website

- https://mis.twse.com.tw/stock/index.jsp?lang=en_us&oddFlag=undefined

Contents

- Real time information of quotes, SBL short selling remaining volume and stocks available to lend by brokers

基本市況報導網站 正體中文 English

Market Information System

Market Summary | TWSE & TPEX | Futures Quotes | Five Best Bids & Asks | Categories | Speical Trade | **SBL Inquiry**

Market Quotes
Real Time Available Volume for SBL
Available Volume for SBL By Brokers

SNC(2605) Select Stock Print

FIXED-RATE TRANSACTION (Time:)	Accumulated Trade Day Volume	Queued Lending Volume	Queued Borrowing Volume	Lending Rate (%)
10-Day Prior Recall Notice	0			
3-Day Prior Recall Notice	0			
1-Day Prior Recall Notice	0			

BID-OFFER TRANSACTION (10-DAY PRIOR RECALL NOTICE)(Time:)				
Accumulated Trade Day Volume	Queued Lending Volume	Queued Borrowing Volume	Matched Volume	Matched Rate
0				

FIVE BEST BIDS AND ASKS OF UNEXECUTED ORDERS				
Borrowing Rate(%)	Borrowing Volume	Lending Rate (%)	Lending Volume	

BID-OFFER TRANSACTION (3-DAY PRIOR RECALL NOTICE)(Time:11:04:44.57)				
Accumulated Trade Day Volume	Queued Lending Volume	Queued Borrowing Volume	Matched Volume	Matched Rate
150	0	0	50	2.00

FIVE BEST BIDS AND ASKS OF UNEXECUTED ORDERS				
Borrowing Rate(%)	Borrowing Volume	Lending Rate (%)	Lending Volume	
		0.00		0
		0.00		0
		0.00		0
		0.00		0
		0.00		0

Get Stock
Please enter the stock code:

Formosa Index 19472.79 09:50:40
Change: ▲44.31 (0.23%)
Highest Price: 19605.30
Lowest Price: 19407.20

TAIEX 17080.79 09:50:40
Change: ▲34.93 (0.20%)
Highest Price: 17201.42
Lowest Price: 17023.23

TPEX 210.99 09:50:40
Change: ▲0.98 (0.47%)
Highest Price: 211.92
Lowest Price: 210.14

TX091 16995.00 09:51:03
Change: ▲33.00 (0.19%)
Highest Price: 17125.00
Lowest Price: 16927.00

Announcement
TWSE had released a new version of Market Information System (MIS) on July 1st, 2013 to improve users experience. The new platform will present real-time trading status and market information in a simpler and more convenient way. The old version MIS will be kept on-line for a period of time and will be removed in due course. Please visit our new MIS at <https://mis.twse.com.tw>

Relation Link
[Taiwan Stock](#)

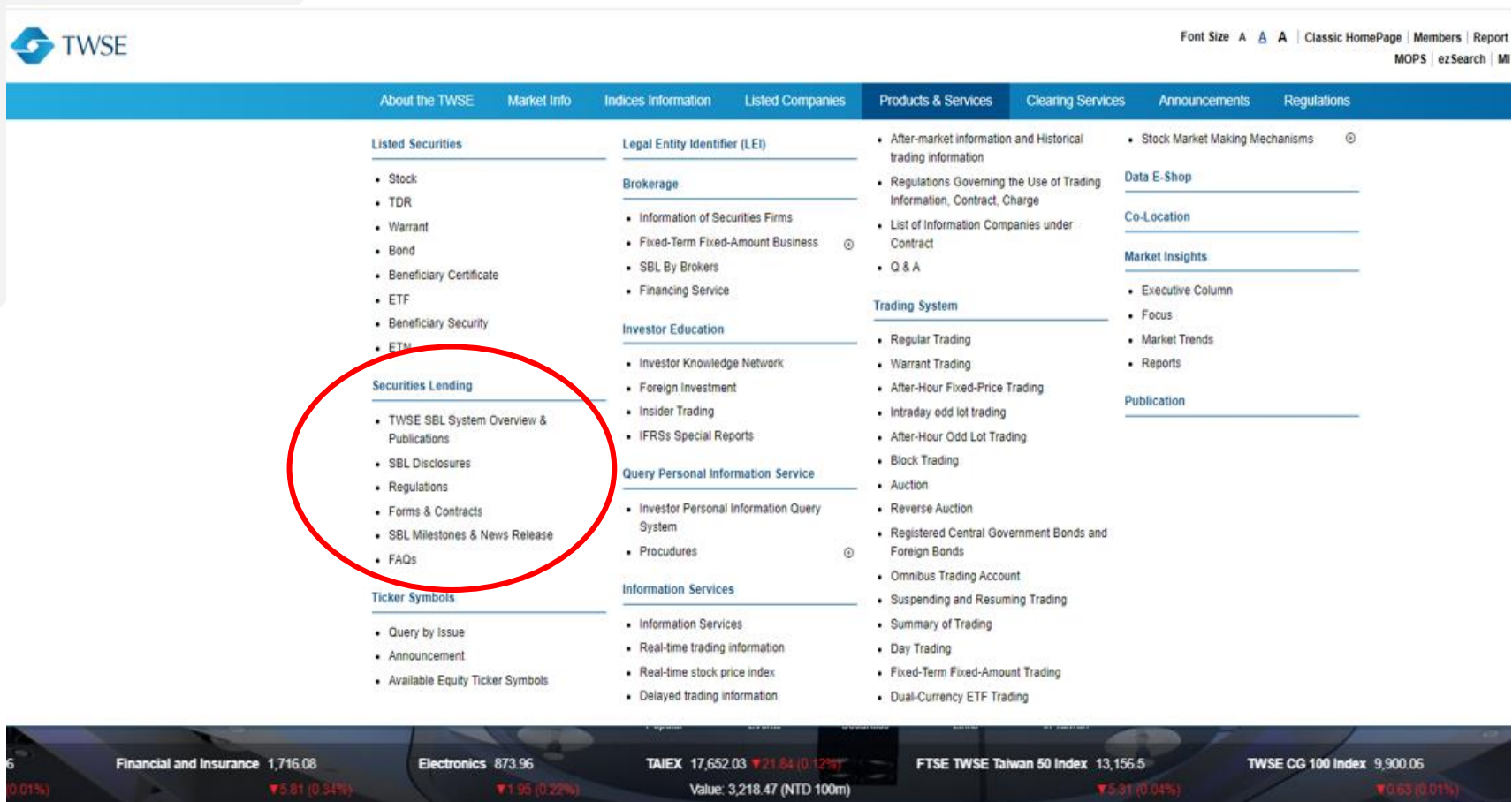
SBL Disclosure

Website

<http://www.twse.com.tw/en/>

Contents

- SBL section provides comprehensive information such as Taiwan market introduction, regulations and data disclosures.



The screenshot shows the TWSE website's navigation menu and content area. The 'Products & Services' menu item is selected. The 'Securities Lending' section is circled in red, containing the following links:

- TWSE SBL System Overview & Publications
- SBL Disclosures
- Regulations
- Forms & Contracts
- SBL Milestones & News Release
- FAQs

Other visible sections include:

- Listed Securities:** Stock, TDR, Warrant, Bond, Beneficiary Certificate, ETF, Beneficiary Security, ETN
- Legal Entity Identifier (LEI):** Brokerage, Information of Securities Firms, Fixed-Term Fixed-Amount Business, SBL By Brokers, Financing Service
- Investor Education:** Investor Knowledge Network, Foreign Investment, Insider Trading, IFRSs Special Reports
- Query Personal Information Service:** Investor Personal Information Query System, Procedures
- Information Services:** Information Services, Real-time trading information, Real-time stock price index, Delayed trading information
- Trading System:** Regular Trading, Warrant Trading, After-Hour Fixed-Price Trading, Intraday odd lot trading, After-Hour Odd Lot Trading, Block Trading, Auction, Reverse Auction, Registered Central Government Bonds and Foreign Bonds, Omnibus Trading Account, Suspending and Resuming Trading, Summary of Trading, Day Trading, Fixed-Term Fixed-Amount Trading, Dual-Currency ETF Trading
- Stock Market Making Mechanisms**
- Data E-Shop**
- Co-Location**
- Market Insights:** Executive Column, Focus, Market Trends, Reports
- Publication**

Market data at the bottom of the page:

Financial and Insurance	1,716.08	Electronics	873.96	TAIEX	17,652.03	FTSE TWSE Taiwan 50 Index	13,156.5	TWSE CG 100 Index	9,900.06
	▼5.81 (0.34%)		▼1.95 (0.22%)	Value: 3,218.47 (NTD 100m)	▼21.84 (0.12%)	▼5.31 (0.04%)	▼0.63 (0.01%)		

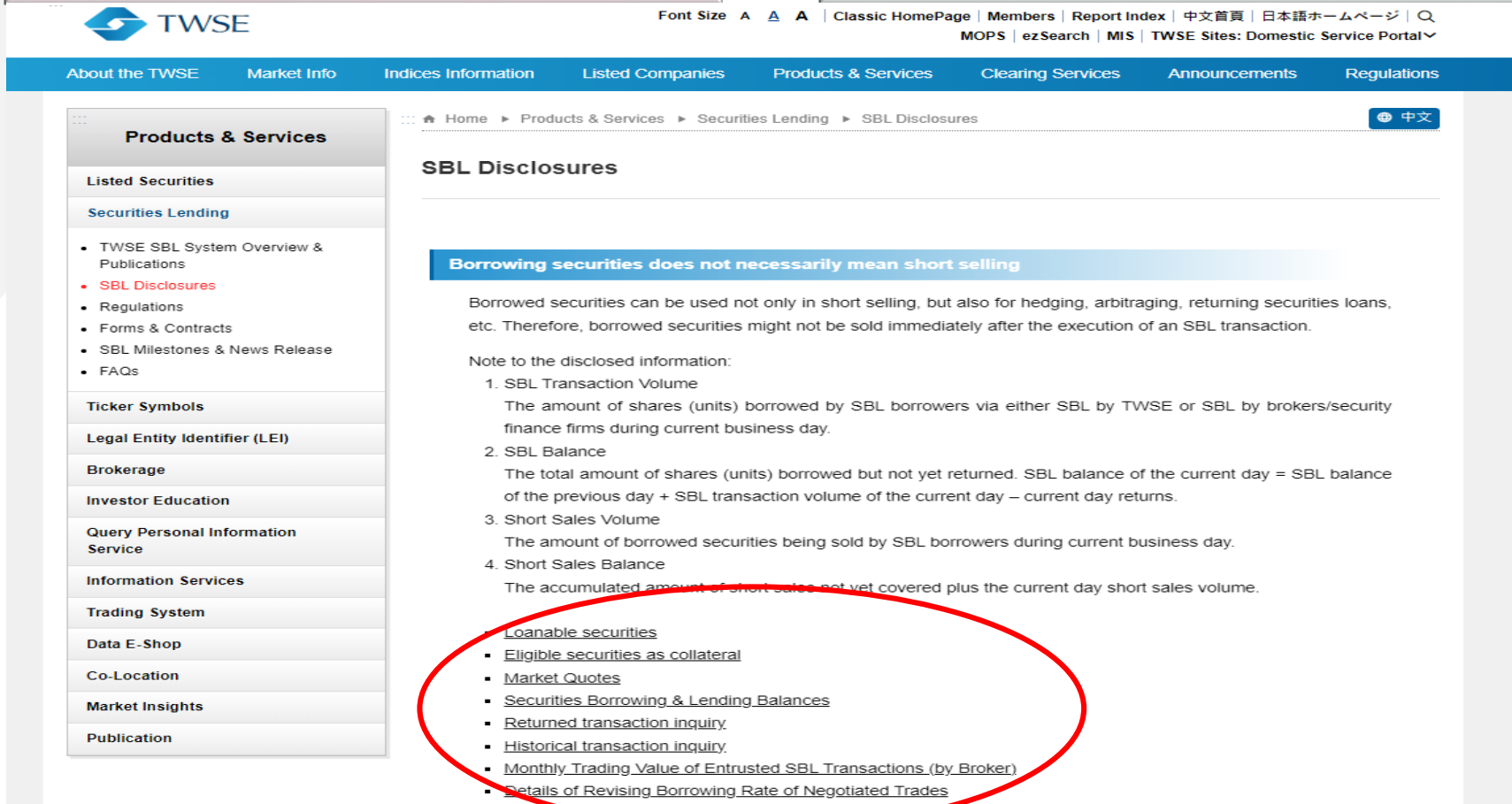
SBL Disclosure

Website

- https://www.twse.com.tw/en/page/products/sbl/sbl_info.html

Contents

- Historical data can be found in SBL Disclosures.



The screenshot shows the TWSE website interface. At the top, there is a navigation bar with links for 'About the TWSE', 'Market Info', 'Indices Information', 'Listed Companies', 'Products & Services', 'Clearing Services', 'Announcements', and 'Regulations'. Below this is a secondary navigation bar with 'Home', 'Products & Services', 'Securities Lending', and 'SBL Disclosures'. The main content area is titled 'SBL Disclosures' and features a blue banner that reads 'Borrowing securities does not necessarily mean short selling'. Below the banner, there is a paragraph explaining that borrowed securities can be used for hedging and arbitrage. A 'Note to the disclosed information' section lists four items: SBL Transaction Volume, SBL Balance, Short Sales Volume, and Short Sales Balance. At the bottom, there is a list of links for 'Loanable securities', including 'Eligible securities as collateral', 'Market Quotes', 'Securities Borrowing & Lending Balances', 'Returned transaction inquiry', 'Historical transaction inquiry', 'Monthly Trading Value of Entrusted SBL Transactions (by Broker)', and 'Details of Revising Borrowing Rate of Negotiated Trades'. A red circle highlights this list of links.

Thank you!

