SECURITIES INVESTOR PROTECTION FUND

Securities Investors and Futures Traders Protection Law was enacted on July 17, 2002. In accordance with the Act, a protection institution shall be put in place, with its Board of Directors and supervisors appointed.

The former Securities Investor Protection Fund (SIPF), established by the major securities institutions, was replaced by a protection fund set up by the protection institution. The related institutions of the securities and futures markets led by TSEC have made contributions to help set up the new protection fund. Thereafter, all securities and futures brokers, TSEC, Taiwan Futures Exchange (TAIFEX) and GTSM shall respectively make monthly appropriations to the protection fund subject to the regulations of Competent Authority.

Only investors who have completed their settlement obligations properly but are unable to receive their entitled rights due to the broker's default can file their claims with the board. The limitation on each account for investors is NT$1 million, and that for brokers is NT$100 million.

When a securities or futures broker/dealer becomes insolvent due to financial difficulty, which results in default settlements for trades consigned by securities investors and futures dealers, the investors may make claims on such defaults.

Table 23. Share Ownership by Type of Investors 1998-2002

(In Percentage)

	2002	2001	2000	1999	1998
Domestic Investors:					
Government	6.73	7.62	6.12	3.68	4.33
Financial Institutions	3.76	4.42	3.75	2.93	4.19
Trust Fund	0.98	0.75	0.77	1.28	1.02
Corporations	22.37	22.59	21.68	22.98	20.4
Other Juridical Persons	3.4	3.37	3.53	3.85	4.34
Individuals	50.7	51.96	55.37	58.08	58.36
Foreigners:					
Trust Fund	4.57	3.05	3.14	2.18	1.74
Financial Institutions	0.28	0.25	0.55	0.46	0.47
Juridical Persons	5.96	4.85	4.33	3.61	3.87
Individuals	0.52	0.67	0.76	0.95	1.28
Share Buy-backs	0.73	0.47	0	0	0
Total	100.00	100.00	100.00	100.00	100.00