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Chairman & CEO Mr. Sherman Lin (3rd from right) hosted grand opening of Global Money Week held on Mar 14, 2016.



On March 1, 2016, President Ching-Li Meng (4th from left) received a certificate of appreciation presented by Mr. Wu Den-yih, the Vice President of Taiwan, ROC (4th from right) for co-sponsoring 2015 TFF-Bloomberg Awards.

## TDCC cross-border operations coming to fruition as FSC pushing for financial import substitution

Given the Financial Supervisory Commission's (FSC) policy to achieve import substitution in the financial sector, the Taiwan Depository & Clearing Corporation (TDCC) has collaborated with two of the world's largest international depositories, Euroclear and Clearstream, since 2014 in providing cross-border securities custody services. To date, the three major pillars of the cross-border custody operations have started to bear fruit. The first is foreign bond remittance, which saw transaction value (inbound and outbound remittance combined) rising by 400% YoY to almost NT\$30bn since 2H15 to date. The second is foreign bond settlement for securities brokers, which allows brokers to trade and access custody and settlement services in Taiwan. Since the launch of the service in July 2015, the turnover has to date surpassed NT\$70bn. The third is cross-border custody service, which has processed around 50 foreign securities since commencement of the service in August 2015. It is estimated that the number of foreign securities under TDCC's custody will rise to 200 in 1Q16, indicating a more buoyant outlook in 2016.

TDCC developed a localized,

user-friendly, Chinese interface, aiming to provide cross-border settlement and custody services that are safe, efficient and instantaneous. The aforementioned post-trade services are intended for institutional investors that have ventured into the global markets. So far, a total of 18 institutional clients, including insurers, banks, securities brokers and bill dealers, have made use of the services, and more institutional investors will likely follow suit going forward.

Since the launch of the cross-border custody services, TDCC has processed a wide array of securities, including medium-term notes (MTN), collateralized mortgage obligations (CMO) and long-term notes traded in the US, Europe and Asia, and denominated in various currencies, such as the US dollar, Euro, Australian dollar, Renminbi, Indonesian rupiah, Indian rupee, Russian ruble and Mexican Peso. Also, TDCC has established an indirect link with the US Fedwire and Depository Trust & Clearing Corporation (DTCC), which allows it to complete cross-border operations, such as DVP settlement, securities transfer, fund remittance, principal & interest payment, book entry and inventory account management.

## **TDCC expanding T+2 DVP settlement operations as TPEx emerging stock market adopted new settlement system after Chinese New Year**

The TPEx emerging stock market officially adopted the new T+2 DVP settlement system upon resumption of trading on February 15, 2016 after the Chinese New Year, in order to provide convenient services that are in line with the global settlement standards, and to improve the market efficiency, ultimately attracting more active investors. Under the new system, settlement will take place at 10:00 A.M. of the second business day after trade date (i.e. T+2) on a delivery versus payment (DVP) basis for both emerging stock investors and brokerages.

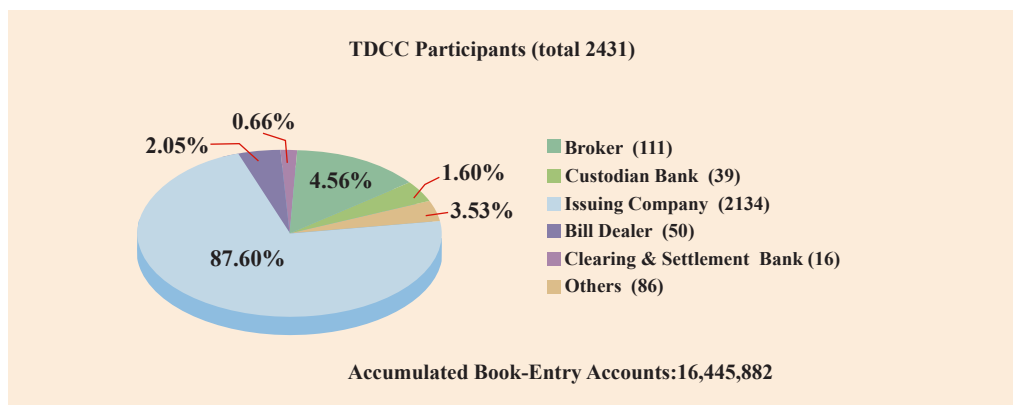
In the past, investors who bought (or sold) emerging shares were required to deliver the payment (or equity) to a brokerage before T+1 12:00 P.M. Brokerages with payable emerging shares had to lodge the equities to the TDCC before T+1 4:00 P.M., while the due monetary payment had to be delivered to the TDCC before T+2 10:00 A.M.

Both the TWSE and TPEx stock markets switched to T+2 DVP settlement system in February 2009. Given different

settlement deadlines, FINIs were sometimes confused with the settlement instructions when investing emerging stocks. To enhance safety of the settlement operations, the TDCC had engaged in discussions about the emerging stock market also adopting T+2 DVP settlement system.

The open-end fund beneficial certificates and physical gold, which were listed on the TPEx market in October 2014 and January 2015, respectively and have been settled as emerging shares, will also switch to T+2 DVP system. With the TPEx emerging stock market aligning with the TWSE and TPEx stock markets in terms of the settlement system, FINIs, brokerages and the custodian will have more time to communicate the transfer operations with each other, reducing the operation risks of errors owing to different time requirements. In addition, investors will be allowed more flexibility in fund utilization as they will have one extra day to prepare the due payment for buying emerging stocks, like they do for TWSE and TPEx stock investments. This will

likely enhance their willingness to participate in securities trading. Meanwhile, brokerages and the central depository will also enjoy more convenience in settlement management, transaction checking and transfer operations.



**The Shares and Market Capitalization under TDCC custody** ( Million Shares/ Billion NT )

Item Year Month	Physical securities under custody		Dematerialized securities under custody			Total	
	Shares	Market Capitalization	Shares(A)	Ratio (A/B)%	Market Capitalization	Shares(B)	Market Capitalization
2015 Apr	36,649	370.47	1,062,712	90.49	34,655.63	1,099,361	35,026.10
2015 May	36,608	370.06	1,069,933	90.53	34,309.67	1,106,542	34,679.73
2015 Jun	36,589	369.86	1,073,478	90.56	33,194.27	1,110,067	33,564.14
2015 Jul	36,570	369.67	1,079,353	90.38	30,898.88	1,115,924	31,268.56
2015 Aug	36,528	369.26	1,083,163	90.41	29,433.95	1,119,691	29,433.95
2015 Sep	36,479	368.72	1,095,874	90.51	29,528.13	1,132,353	29,896.90
2015 Oct	36,462	368.60	1,089,463	90.46	30,945.98	1,125,925	31,314.58
2015 Nov	36,453	368.51	1,089,372	90.46	30,598.19	1,125,826	30,966.71
2015 Dec	36,405	368.03	1,083,941	90.36	30,812.00	1,120,347	31,180.40
2016 Jan	36,443	368.36	1,086,876	90.38	30,265.00	1,123,320	30,634.01
2016 Feb	36,459	368.52	1,079,621	90.31	31,185.55	1,116,080	31,554.06
2016 Mar	36,516	369.08	1,075,793	90.28	32,304.08	1,112,309	32,673.16

TDCC still has 7.22 million pieces of stocks which have been de-listed from the TWSE or TPEX markets.  
The outstanding of such physical stocks equals to 9.62% of all TDCC depository shares.

**Statistics of Listed Companies**

Item Year Month	TWSE				TPEX			
	NO.	Capital Issued (Billion NT)	Par Value (Billion NT)	Market Value (Billion NT)	NO.	Capital Issued (Billion NT)	Par Value (Billion NT)	Market Value (Billion NT)
2015 Apr	858	6,812.78	6,699.43	28,480,849	694	688.59	645.00	2,873.75
2015 May	859	6,819.52	6,719.03	28,150,415	697	689.67	645.00	2,863.58
2015 Jun	862	6,828.48	6,728.16	27,135,035	697	689.43	646.00	2,709.55
2015 Jul	864	6,849.01	6,714.30	25,275,490	697	690.71	646.00	2,396.09
2015 Aug	865	6,924.32	6,740.14	23,860,273	697	692.41	647.00	2,175.40
2015 Sep	866	6,934.03	6,817.92	23,896,918	698	700.67	650.00	2,402.41
2015 Oct	869	6,941.14	6,833.44	25,013,804	700	701.49	651.00	2,556.08
2015 Nov	871	6,952.32	6,839.65	24,387,843	703	702.88	652.00	2,675.32
2015 Dec	874	6,950.90	6,849.29	24,503,635	712	706.18	653.00	2,730.82
2016 Jan	876	6,952.68	6,855.88	23,963,955	718	710.63	655.00	2,615.12
2016 Feb	876	6,950.79	6,864.77	24,757,955	718	710.76	682.32	2,718.25
2016 Mar	877	6,948.96	6,857.07	25,727,237	722	711.58	685.00	2,795.91

## Statistics of Bills Clearing &amp; Settlement

Million NT

Item Year Month	Primary Market		Secondary Market				Total
	Underwriting/First	Redemption	Buy/Sell	Repo-Open	Repo-Close	Subtotal	
2015 Apr	995,862	946,103	1,834,690	1,421,058	1,513,500	4,769,248	6,711,213
2015 May	885,424	941,212	1,532,798	1,455,698	1,435,732	4,424,228	6,250,864
2015 Jun	867,413	892,415	1,488,568	1,596,992	1,467,798	4,553,358	6,313,186
2015 Jul	920,793	906,854	1,650,038	1,642,410	1,657,756	4,950,204	6,777,851
2015 Aug	827,141	871,127	1,494,694	1,591,096	1,638,588	4,724,378	6,422,646
2015 Sep	907,249	900,698	1,629,644	1,529,072	1,522,334	4,681,050	6,488,997
2015 Oct	917,932	906,755	1,701,420	1,541,802	1,531,228	4,774,450	6,599,137
2015 Nov	893,991	893,283	1,535,592	1,486,278	1,477,418	4,499,288	6,286,562
2015 Dec	1,011,063	1,006,832	1,734,390	1,667,498	1,565,354	4,967,242	6,985,137
2016 Jan	1,007,471	908,253	1,734,182	1,778,450	1,800,742	5,313,374	7,229,098
2016 Feb	772,374	780,762	1,420,246	1,098,442	1,146,212	3,664,900	5,218,036
2016 Mar	1,108,541	1,078,842	2,043,410	1,595,650	1,611,564	5,250,624	7,438,007

## Par Value of Bills and Bonds Under Central Depository

Million NT

Item Year Month	Bonds	Commercial Paper I	Commercial Paper II	Negotiable Certificate of Deposit	Bank Acceptance	Asset Backed Commercial Paper	Municipal bond	Total
2015 Apr	3,325,572	150	1,458,106	101,990	976	0	0	4,886,794
2015 May	3,338,061	155	1,418,300	85,835	1,145	0	0	4,843,496
2015 Jun	3,343,082	189	1,388,797	90,605	843	0	0	4,823,516
2015 Jul	3,366,779	176	1,349,644	143,758	795	0	0	4,861,152
2015 Aug	3,406,308	158	1,326,970	122,540	718	0	0	4,856,694
2015 Sep	3,439,459	161	1,337,667	118,289	823	0	0	4,896,399
2015 Oct	3,430,520	150	1,375,915	91,089	967	0	0	4,898,641
2015 Nov	3,412,672	133	1,363,182	104,729	785	0	0	4,881,501
2015 Dec	3,353,067	156	1,346,611	125,573	720	0	0	4,826,667
2016 Jan	3,366,078	156	1,357,367	126,172	669	0	0	4,848,442
2016 Feb	3,190,938	134	1,437,371	125,913	470	0	0	4,820,210
2016 Mar	3,178,249	151	1,490,182	103,063	188	0	0	4,836,109

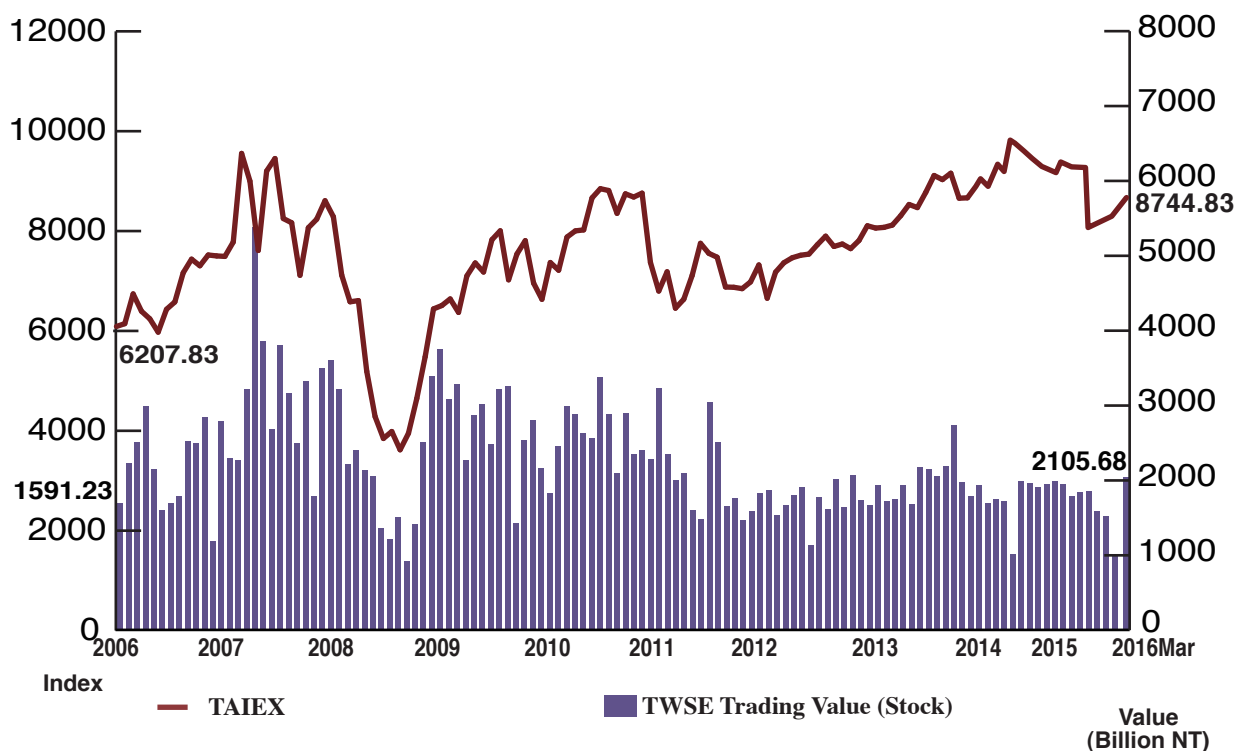
Note: Starting July 2008, the value of bonds are changed from par value to principal balance.

## Statistics of Book-Entry Operations

1,000 Shares

Item Year Month	TWSE		TPEX		Emerging Stocks
	Total Trading Volume	Average Daily Trading Volume	Total Trading Volume	Average Daily Trading Volume	Trading Volume
2015 Apr	112,044,487	5,602,224	24,017,469	1,200,873	644,467
2015 May	111,735,772	5,586,789	23,282,741	1,164,137	472,826
2015 Jun	109,886,555	5,232,693	23,919,191	1,139,009	433,086
2015 Jul	115,016,030	5,228,001	23,499,746	1,068,170	499,777
2015 Aug	109,831,603	5,230,076	16,517,415	786,544	406,315
2015 Sep	86,165,770	4,308,288	16,727,984	836,399	333,382
2015 Oct	95,156,927	4,531,282	22,594,770	1,075,941	366,133
2015 Nov	96,008,721	4,571,844	23,706,649	1,128,888	614,789
2015 Dec	92,744,184	4,032,356	23,542,073	1,023,568	795,034
2016 Jan	92,806,817	4,419,372	18,946,939	902,235	536,297
2016 Feb	54,266,042	4,174,311	12,144,617	934,201	298,458
2016 Mar	109,367,054	4,755,089	25,086,846	1,090,732	613,895

TWSE Index & Trading Value



TPEX Index & Trading Value

