**Trust**

Since 2004, in response to customers' needs for handling trusts with centralized custody of securities, provide trustees to open trust accounts, trustors to handle trusts securities, trust benefit distribution, trust relationship elimination, or trust securities transfer and trust securities distribution via book-entry transfer.

Since the implementation of Trust Law in 1996,TDCC has begun to plan the basic operating structure of trust passbook transfer. After the announcement of the Trust Enterprise Act and related tax system around 2000, the relevant trust legal system has been completed. TDCC has invited supervisory agencies, TWSAA, and Trust Association of R.O.C., etc., for researching and discussing related transfer operations such as trust custody transfer account opening, trust securities deposit, trust establishment, termination, and margin allocation to meet the centralized custody customers' needs for handling trust and the account for property management by the trustee. The implementation started on January 9, 2004.

**Introduction**

Trust: For the purposes of this Law, the term "trust" refers to the legal relationship in which the settlor transfers or disposes of a right of property and causes the trustee to administer or dispose of the trust property according to the stated purposes of the trust for the benefit of a beneficiary or for a specified purpose. (Trust Law Article 1)

**Principles**

I. The trustee is a trust business and can go to the securities firm to open a trust account or a collective trust account subject to types of the contract, testament, public trust or business, or become a participant of TDCC to open an account in accordance with the aforementioned manner.

II. The trustee is a non-trust business and can go to the securities firm to open a trust account based on the types of contract, testament, or public trust.

**Account Opening Methods**

I. The trustee opens a trust custody transfer account (trust account) at the securities firm according to the types of the contract, testament, or public trust.

II. The trustee opens a collective trust account for the trust business based on the business type at the securities firm.

III. The trustee applies to TDCC for the trust business to open a depository account as a participant.

IV. When there are two or more trustees, a separate consent shall be issued for the commission to have one person handle the account opening and exercise relevant rights.

**Trust Transfer**

I. Delivery of trust transfers.

II. Transfer of a changed trustee.

III. Distribution of trust benefits or termination of a trust relationship.

IV. Transfer of a non-existing, invalid, canceled, or revoked trust relationship.

V. The trustee handles the securities transfer with a non-beneficiary or a non-client third party for other reasons.

VI. The trustee handles securities transfer with the issuer due to the issuer's withdrawal/acquisition of employee restricted stock in accordance with issuance regulations.

VII. The trustee handles the securities transfer of the trust account or collective trust account.

For detailed operation procedures, please refer to "Taiwan Depository & Clearing Corporation Directions for the Handling of Book-Entry Operations for Securities Trusts" on the official website of the Taiwan Depository & Clearing Corporation, under the Regulations-Securities category.