

# **Custody and safekeeping of securities**

Securities under TDCC's custody are divided into Fungible Custody and Separate Custody.

## **(1) Fungible Custody**

Investors, participants and TDCC agree that the securities deposited with TDCC under fungible basis will be returned with the same type and the same quantity of securities upon withdrawal.

## **(2) Separate custody**

When registered stocks are deposited under separate custody, TDCC sets up separate deposit accounts for each customer and issue a deposit certificate. If an investor applies to withdraw securities, TDCC will return the originally deposited registered securities. Securities under separate custody are limited to the restricted registered shares held by the directors, supervisors, or specific shareholders of issuers that are required to be deposited with TDCC.

To reduce the operating costs for deposit and withdrawal of physical securities under separate custody and to keep abreast of the trends in dematerialization of securities, TDCC offers the service of managed fungible custody to the directors, supervisors and specific shareholders of issuers and the holders of beneficial securities for depositing the restricted securities with TDCC and placing such securities under central deposit via book-entry transfer.