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Mr. Tseng Ming-Chung, the Chairman of Financial Supervisory Commission (FSC) and Mr. Wu, Yui-Chun, the Director-General of Securities and Futures Bureau led TDCC President Sherman Lin and GTSM Mr. Bing-Jing Huang, Deputy CEO of GTSM, visited Mr. D. Bayarsaikhan, Chairman of Financial Regulatory Commission of Mongolia. Taiwan plans to help Mongolia set up trading on an emerging stock board and a deposit insurance system.



Minister of Science and Technology, Dr. San-Cheng Chang, accompanied by the National Information and Communication Security Taskforce Audit team, visited TDCC on September 3, 2014 to audit the implementation of Information security-related regulations, Personal Data Protection Act and the Enforcement Rules.

TDCC launches Formosa bond registration and issuance services

Taiwan Depository & Clearing Corporation (TDCC) launches the service of dematerialized registration of Formosa bonds issued by non-Taiwanese institutions. The Taipei branches of Bank of China and China Construction Bank issued in total 4 billion RMB Formosa bonds in Taiwan on September 5. The two banks register the bonds they issue through TDCC and set a precedent by engaging TDCC to handle the interest payment and principal repayment operation.

This is the first time TDCC handles the registration of Formosa bonds issued by Chinese banks as well as their principal repayment and interest payment operation. Also that Bank of China is the first non-Taiwanese bank under the Euro medium-term note program (EMTN) that registers the bonds it issues with TDCC, indicating TDCC's registration service is on a par with the international market. That is, there is no problem for bonds issued under EMTN program to register with TDCC. The Taipei Branch of China Construction Bank is the first Chinese bank that issues Formosa bond under special project status and engages TDCC to provide full services. According to the China Construction Bank, it also enlists the services of local underwriting and legal teams for the bond issuance operation.

TDCC brought the services of two international central securities depositories

Euroclear and Clearstream into Taiwan in April this year, giving Taiwan the opportunity to provide domestic and foreign investors with more convenient cross-border settlement services. To enhance the international visibility of Taiwan's offshore RMB market in support of the government's offshore RMB center policy, TDCC has been actively working with international depositories to promote our international bond market since April this year. TDCC has also hosted a number of seminars to introduce Taiwan's international bond market to financial institutions at home and abroad. Currently debentures issued by domestic financial institutions may be delivered to an account of an international depository through the TDCC system linked up with said depository.

In coordination with the moves of the competent authority and GTSM to promote our international bond market, TDCC now offers multi-currency bond registration, distribution, payment and cross-border settlement services. TDCC also offers DVP settlement service for NTD notes and bonds and is planning to roll out the cross-border DVP settlement service for international bonds in July next year in the joint efforts to provide a safer and more efficient operating environment for Taiwan's international bond market.

GTSM and TDCC team up in soliciting business in Europe and building a dual listing, registration and trading mechanism

In the joint efforts of internationalizing the domestic securities market, GreTai Securities Market (GTSM) Chairman Soushan Wu and Taiwan Depository & Clearing Corporation (TDCC) Senior Executive Vice President Han-Chiang Chu went to Germany and Luxemburg to discuss issues including the dual listing, issuance and trading of inter-

national bonds and Formosa bonds. This marks an occasion where a front-end and a back-end institution in Taiwan worked together in business solicitation. It is heard that several large European banks have consented to dual list their bonds on Luxemburg and GTSM soon, register their bonds with international depositories and

TDCC, and trade their bonds both in Taiwan and Europe through the three-way route established by TDCC, Euroclear and Clearstream. This development keeps Taiwan in step with international markets and marks an important milestone for Taiwan's cross-border services.

TDCC assists New Taipei City Government in the successful issue of its first municipal notes

TDCC has been working with the Bills Finance Association (TBFA) to help New Taipei City Government establish diversified financing channels, increase fiscal maneuvering flexibility and implement cost saving measures. From the time New Taipei City Government amended its regulations and completed the necessary regulatory formalities in 2011, winning the approval of the Financial Supervisory Commission (FSC) in 2012 to qualify the municipal notes to be issued as short-term bills under the Act Governing Bills Finance Business, to the time it completed the first issue of its municipal notes on August 21, 2014, TDCC has been collaborating with TBFA in planning and developing this innovative product in the domestic bills finance market.

In establishing the mechanism for municipal notes issuance, TDCC has completed the development of

information systems and amendment of relevant regulations for municipal notes registration, guarantee and underwriting operations in 2012. TDCC together with TBFA have also established the trading process and necessary forms, assisted in the formulation of relevant issuance and auction processes, and hosted a number of workshops for bills finance companies and guarantee agencies. After three years of planning and promotion under the concerted efforts of TDCC and TBFA, the planning and preparation for the first issue of municipal notes in the country were finally completed. In July this year, New Taipei City Government, the notes manager and guarantee agency applied for use of TDCC's dematerialized registration and settlement platform and signed an account agreement with TDCC.

New Taipei City Government

successfully auctioned NT\$10 billion of municipal notes on August 19, 2014. Altogether 24 bills finance companies participated in the bidding and 11 were awarded the bid. TDCC has helped the manager of municipal notes and the bid winners carry out dematerialized registration, guarantor and underwriting operations on August 20 and 21 respectively, successfully completing the first issue of municipal notes in the country. The municipal notes of New Taipei City Government are now trading in the secondary market and the settlement and clearing operations are also running smoothly. TDCC has successfully provided back-end services in the financial market this time, working with TBFA and the government in expanding the scale of our bills market.

TDCC Information Security Policy (6)

I. Security Management for System Development and Management

Section 1: System Security Requirement Planning

(1) System security requirement analysis and specifications: Newly developed information systems or upgrades to existing system functions should incorporate security requirements into the system functions during the requirement analysis stage of system planning.

(2) Apart from security measures that are automatically executed by the system, manual security measures may also be considered; the same system security requirement analysis should also be carried out when purchasing package software.

(3) A system's security requirements and controls should correspond to the value of its information assets. The level of damage that inadequate security measures may cause to the company should also be considered.

(4) Considerations on Information System Security Requirements:

1. A routine audit system and audit trails should be established for important business systems.

2. Information systems should protect confidential or sensitive information against leaks or tampering. The information may be protected by data encryption technology if necessary.

3. Important business information should be backed up and stored off-site.

4. An immediate recovery procedure should be defined for computer crashes. Frequently used systems in particular should have appropriate recovery measures in place.

5. Systems should be protected against unauthorized tampering or modification.

6. The system should try to satisfy the security control requirements of auditors as much as possible.

Section 2: Security of Application Systems

(1) Verification of Data Inputs

Data entered into the application system should be verified in advance (e.g. check to see if it exceeds the defined

range) to ensure the accuracy of the data.

(2) Verification of Internal System Operations

Operating procedures for verifying the correctness of data should be established for internal system operations to avoid data that was entered correctly into the application system being damaged due to a system processing error or human intervention.

(3) Data Encryption

A risk evaluation should be undertaken on whether encryption should be used during the transmission or storage of confidential data in order to decide whether it should be protected by encryption or some other suitable control method.

Section 3: Security of Application System Software

(1) Control of Operating Software

A control procedure should be established and strictly enforced for application software running on the operating system. To reduce the potential risks to the operating system, updates to the application library used for operational use should only be performed by authorized administrators. An update audit trail should also be established for the application library.

(2) Protection of system test data:

1. Test data should be protected and controlled to prevent the use of databases containing real personal details during testing; if real data is to be used for testing, personally identifiable information should be changed before testing.

2. The real data should be immediately deleted from the test system once testing is complete.

3. The copying of real data should be recorded for auditing purposes.

Section 4: Security of System Changes and Maintenance Environment

(1) Control Procedure for Changes to the Application System

A formal change control procedure should be established and strictly enforced to reduce potential security risks; the control procedure for change operations should ensure that the

system's security control procedure will not be disrupted and also ensure that programmers may only access the relevant parts of the system. Any system changes must be approved in advance by the competent supervisor as well.

(2) The change operation should be carried out in accordance with the given authorization. The control procedure should take the following into consideration:

1. Before the change is actually implemented, the detailed recommendations of the change operation must be approved in advance by the competent supervisor.

2. The system documentation should be updated immediately after each change operation. Older versions of the system documentation should be properly archived and disposed of as well.

3. System documentation should be identified by version and commissioning date.

4. All system change requests should be recorded for auditing purposes.

(3) Technical evaluation of changes to the operating system:

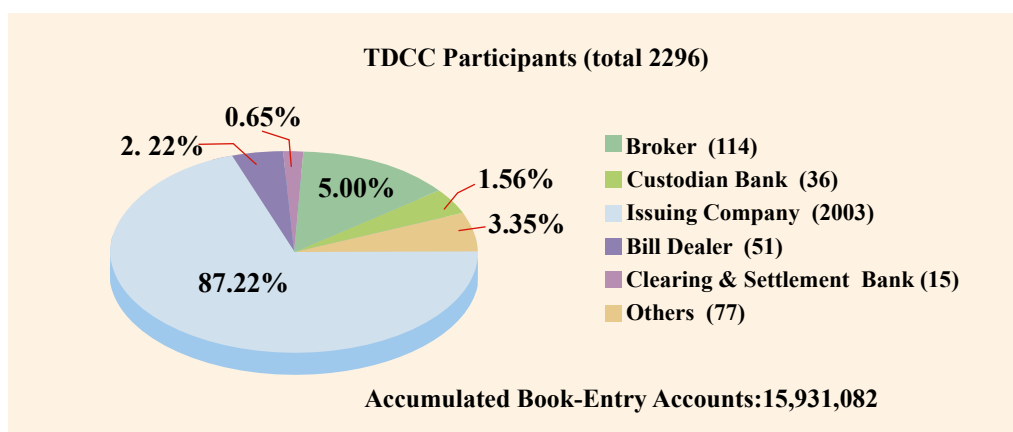
Changes to operating systems of Class A and B system servers should be incorporated into the annual plan. The changes should be evaluated to determine if they have any negative impact on the application system or cause any security issues.

(4) Security Management of System Maintenance Environment

1. Controls and restrictions should be applied on what systems and data that software system vendors' installation and maintenance will have contact with. The issuing of long-term system accounts and passwords is strictly prohibited.

2. Short-term and temporary system accounts and passwords may be provided for vendor use. Access permissions should be revoked immediately after use.

3. Vendors should be supervised and accompanied by the relevant personnel during the installation or maintenance of software/hardware facilities.



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
2013 Sep	36,788	371.89	1,025,267	90.05	27,739.64	1,062,055	28,111.54
2013 Oct	37,732	381.33	1,031,102	90.02	28,764.72	1,068,834	29,146.06
2013 Nov	36,842	372.43	1,031,967	90.10	28,732.74	1,068,809	29,105.18
2013 Dec	36,861	372.62	1,035,578	90.18	29,627.81	1,072,440	30,000.44
2014 Jan	36,928	372.29	1,041,793	90.24	29,051.66	1,078,722	29,424.96
2014 Feb	36,867	372.67	1,043,262	90.26	29,988.33	1,080,129	30,361.01
2014 Mar	36,819	372.20	1,043,974	90.27	30,705.00	1,080,793	31,077.20
2014 Apr	36,800	372.01	1,052,868	90.34	30,526.04	1,089,669	30,898.05
2014 Jun	36,904	373.02	1,047,913	90.29	32,719.48	1,084,818	33,092.51
2014 Jul	36,889	372.87	1,042,042	90.25	32,281.42	1,078,931	32,654.29
2014 Aug	36,852	372.51	1,041,860	90.30	32,307.19	1,078,713	32,679.70
2014 Sep	37,229	376.27	1,048,442	90.32	31,311.52	1,085,671	31,687.80

TDCC still has 7.35 million pieces of stocks which have been de-listed from the TWSE or GreTai markets.
The outstanding of such physical stocks equals to 9.72% of all TDCC depository shares.

Statistics of Listed Companies

Item Year Month	TWSE				GreTai			
	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)
2013 Sep	815	6,578.19	6,423.60	23,037.09	646	657.64	619.90	2,073.73
2013 Oct	818	6,602.72	6,464.14	23,883.57	647	658.63	623.28	2,153.13
2013 Nov	828	6,603.04	6,462.46	23,875.85	652	659.41	626.35	2,165.04
2013 Dec	838	6,610.02	6,488.00	24,519.56	658	661.84	628.11	2,324.82
2014 Jan	840	6,613.96	6,497.19	24,137.80	662	663.44	637.89	2,395.80
2014 Feb	841	6,625.59	6,498.46	24,567.87	660	661.61	635.66	2,585.14
2014 Mar	843	6,627.46	6,504.15	25,187.45	663	664.64	638.56	2,655.25
2014 Apr	844	6,654.38	6,528.32	25,090.64	664	665.65	640.78	2,592.03
2014 Jun	845	6,665.19	6,547.78	26,852.67	666	668.36	640.00	2,843.28
2014 Jul	846	6,696.18	6,550.93	26,662.07	669	671.64	640.00	2,689.07
2014 Aug	847	6,798.76	6,585.91	27,052.23	672	677.17	638.00	2,634.48
2014 Sep	847	6,772.02	6,624.92	25,790.08	673	679.45	638.00	2,616.29

Statistics of Bills Clearing & Settlement

Million NT

Item Year Month	Primary Market		Secondary Market				Total
	Underwriting/First	Redemption	Buy/Sell	Repo-Open	Repo-Close	Subtotal	
2013 Sep	774,039	769,648	1,499,356	1,542,140	1,533,540	4,575,036	6,118,723
2013 Oct	790,982	778,231	1,393,120	1,634,050	1,622,776	4,649,946	6,219,159
2013 Nov	797,731	762,924	1,500,706	1,558,382	1,623,502	4,682,590	6,243,245
2013 Dec	809,018	813,798	1,402,320	1,676,224	1,596,754	4,675,298	6,298,114
2014 Jan	848,635	770,567	1,551,194	1,509,738	1,562,414	4,623,346	6,242,548
2014 Feb	765,694	772,821	1,400,380	1,299,974	1,286,350	3,986,704	5,525,219
2014 Mar	849,434	833,780	1,496,288	1,478,150	1,473,056	4,447,494	6,130,708
2014 Apr	820,937	802,621	1,448,930	1,650,164	1,614,186	4,713,280	6,336,838
2014 Jun	862,094	871,738	1,559,038	1,457,556	1,428,784	4,445,378	6,179,210
2014 Jul	921,856	839,838	1,675,532	1,606,142	1,621,074	4,902,748	6,664,442
2014 Aug	908,055	917,553	1,633,590	1,638,048	1,603,566	4,875,204	6,700,812
2014 Sep	877,184	923,780	1,627,214	1,642,482	1,681,092	4,950,788	6,751,752

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
2013 Sep	2,772,207	133	1,183,544	71,019	160	2,012	0	4,029,075
2013 Oct	2,782,572	117	1,198,323	68,986	178	2,012	0	4,052,188
2013 Nov	2,784,053	105	1,220,339	81,656	310	2,012	0	4,088,475
2013 Dec	2,975,792	161	1,199,195	97,567	706	2,012	0	4,275,433
2014 Jan	3,011,263	158	1,249,874	124,999	665	2,012	0	4,388,971
2014 Feb	2,991,537	150	1,259,648	108,307	462	2,011	0	4,362,115
2014 Mar	2,995,439	158	1,269,852	86,897	310	2,011	0	4,381,667
2014 Apr	2,988,284	139	1,336,675	65,010	706	2,011	0	4,392,825
2014 Jun	3,097,318	177	1,301,487	102,946	1,050	0	0	4,502,978
2014 Jul	3,132,569	166	1,409,552	79,966	993	0	0	4,620,246
2014 Aug	3,147,636	153	1,396,034	70,668	1,325	0	10,000	4,625,816
2014 Sep	3,161,506	169	1,326,682	93,732	999	0	10,000	4,593,088

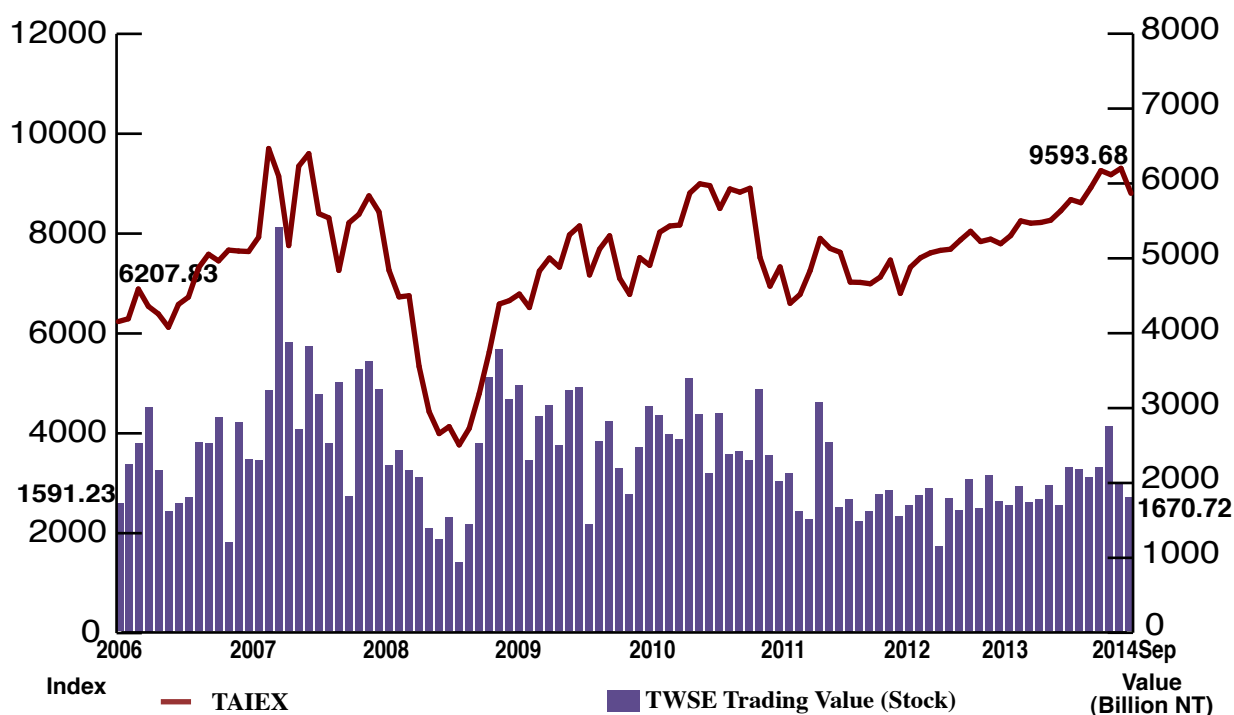
Note: Starting July 2008, the value of bonds are changed from par value to principal balance.

Statistics of Book-Entry Operations

1,000 Shares

Item Year Month	TWSE		GreTai		Emerging Stocks
	Total Trading Volume	Average Daily Trading Volume	Total Trading Volume	Average Daily Trading Volume	Trading Volume
2013 Sep	71,592,833	3,579,642	14,438,801	721,940	635,662
2013 Oct	85,556,877	3,888,949	17,272,034	785,092	728,885
2013 Nov	78,372,378	3,732,018	15,935,585	758,837	498,402
2013 Dec	78,864,747	3,584,761	18,778,536	853,570	664,771
2014 Jan	83,226,293	4,623,683	19,684,682	1,093,593	560,462
2014 Feb	73,859,786	4,344,693	21,548,313	1,267,548	687,033
2014 Mar	93,964,513	4,474,501	30,151,875	1,435,804	892,087
2014 Apr	100,021,887	4,762,947	28,047,094	1,335,576	689,275
2014 Jun	101,664,875	5,083,244	29,086,546	1,454,327	806,133
2014 Jul	135,338,088	6,151,731	29,117,535	1,323,524	748,219
2014 Aug	115,095,809	5,480,753	24,370,452	1,160,498	501,469
2014 Sep	102,615,795	4,886,466	20,877,318	994,158	431,295

TWSE Index & Trading Value



Taifex Futures Index:8991

GreTai Index & Trading Value

