

Taiwan Depository & Clearing Corporation
Principles for Financial Market Infrastructure
Disclosure Report
(CSD)

Taiwan Depository and Clearing Corporation PFMI Information
Disclosure Report (CSD)

Responding institution: Taiwan Depository and Clearing Corporation (TDCC)

Jurisdiction(s) in which the FMI operates: Taiwan

Authority(ies) regulating, supervising or overseeing the FMI: Securities and
Futures Bureau, Financial Supervisory Commission

The date of this disclosure is September 4, 2014

This disclosure can be found at <http://www.tdcc.com.tw>

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I. Executive summary

This report has been prepared by Taiwan Depository and Clearing Corporation (TDCC) based on its role as a central securities depository (CSD) for the security market of Taiwan. In this report, TDCC discloses assessment of its compliance to each of the 24 principles of the report the Principles for financial market infrastructures (PFMI) published by CPSS-IOSCO in April 2012, and to the Disclosure Framework and Assessment Methodology published in December 2012.

TDCC is incorporated under the "Regulations Governing Centralized Securities Depository Enterprises" (Governing Regulations), a law created based on Article 18, Paragraph 2 of the "Securities and Exchange Act." There is high degree of certainty in the laws that regulate TDCC's activities. TDCC has placed the market's safety and efficiency as the top priority of its operating objectives and strives to maintain the company's financial stability while addressing other relevant public interest. TDCC has adopted risk management policies and procedures that enable it to identify, measure, monitor, and manage the range of risks that arise in or are borne by TDCC. TDCC's risk management framework is reviewed on a regular basis.

TDCC has been designated by the "Governing Regulations" as the registrar of the securities that are issued in dematerialized form, for which it has set the Operating Rules and the Guidelines on how participants should

proceed with book-entry transfers and record-keeping in relation to their issued securities. To register or delete the dematerialization securities, issuers are required to seek prior approval from the authority then provide the needed documentation to TDCC. Once TDCC has correctly verified the submitted details from issuers, it may proceed with the registration or deletion as requested. Participants verify their security accounts each day through established connections with TDCC's systems. In addition to providing daily online statements for participants to reconcile account balances and movements, TDCC also performs internal reconciliations for its own books and records. TDCC has internal control systems and operating procedures in place to ensure the accuracy of security account balances, and therefore is able to protect the interest of securities issuers and their holders.

TDCC has set objective and clear requirements for participation according to relevant regulations. By organizing public hearings, attending industry association meetings, visiting participants and conducting satisfaction surveys, TDCC is able to exchange opinions with the participants to understand what the market needs and to ensure the efficiency and effectiveness of its services. Furthermore, through various activities such as website announcements, correspondence, service guidance, seminars and training sessions (including the e-training system), TDCC has given the authority, the participants and their customers a transparent understanding towards TDCC's services, procedures and policies.

With regards to general business risks and operational risks, TDCC has implemented robust risk management policies and systems supported by effective accounting system, custody procedures and internal control system to ensure the safety of its own assets and participants' assets which under its custody, while in the meantime gain control over operational risks. Overall, TDCC's CSD services are efficient and safe.

II. Summary of major changes since the last updates of the disclosure

This is the first disclosure made in accordance with PFMI's Principle 23 - "Disclosure of rules, key procedures, and market data" after the Disclosure

Framework and Assessment Methodology was announced by CPSS-IOSCO in December 2012.

III. General background of TDCC

General description of TDCC and the market it serves

The payment system of Taiwan's securities market is largely based on the CBC (Central Bank of the R.O.C.) Interbank Funds Transfer System (CIFS). CBC's CIFS connects with the securities settlement system run by Taiwan Stock Exchange Corporation (TWSE) and the bond system run by GreTai Securities Market (GTSM) to form a payment system.

Currently, there is no exclusive clearing institution operating for the stock exchange market of Taiwan. In terms of the clearing and settlement process, Articles 138 and 153 of the "Securities and Exchange Act" require TWSE to specify in its operating rules details regarding the dates and manners of clearing and settlement, and TWSE's procedures for handling situations where any buyer/seller fails to fulfill its delivery obligation. Therefore, TWSE concurrently serves as the clearing institution for Taiwan stock exchange market, and according to Article 101 of TWSE's operating rules, the trading of securities transacted on TWSE exchange shall be cleared and centrally settled by TWSE's Clearing Department. Meanwhile, TDCC is commissioned by TWSE to handle processes that involve securities delivery. With regards to the trading of securities transacted on GTSM, Article 7 of the "Regulations Governing Securities Trading on the GreTai Securities Market" requires GTSM to prescribe its Rules Governing Securities Trading on the GreTai securities market by including the way to execute transactions, the timing and method of clearing and settlement, etc. Accordingly, the trading of securities transacted on GTSM shall be cleared and settled by GTSM. Meanwhile, TDCC is commissioned by GTSM to handle processes that involve securities delivery. In other words, clearing and settlement of securities traded on TWSE and GTSM exchanges is governed by the regulations of the respective exchanges, whereas TDCC's role is to handle book-entry transfers of traded securities.

TDCC is a central securities depository incorporated under the "Governing Regulations," and provides book-entry transfer services in accordance with "Regulations Governing Book-Entry Operations for Centrally Deposited Securities." In addition to completing book-entry transfers of the aforementioned securities trading settlements for TWSE and GTSM, TDCC's other services that are relevant to this assessment include: custody of securities, book-entry transfers for deliveries of pledged securities, computer process of book-entry transfers for securities, book-entry operations for distribution of securities, clearing and settlement of Emerging Stocks, and registration of securities issued in dematerialized form.

Below are statistics relevant to TDCC's book-entry and securities custody services in 2013:

1. Book-entry operations

- (1) TDCC recorded 32,845 registrations of dematerialized equities and 140 registrations of dematerialized debt securities.
- (2) TDCC operations in the area of dematerialized open-ended beneficial certificates included registrations of 615 issues for 39 issuers, as well as 66 private placements of beneficial certificates, for a total of 681 offerings and placements.
- (3) TDCC handled book-entry transfer of 111,953,107,000 shares in margin trading of equity securities, with a daily average of 451,424,000 shares.
- (4) TDCC handled book entry transfer for deliveries of pledged equity securities totaling 9,017,496,000 shares, on a total balance of 51,015,076,000 shares of pledged securities; there was a balance of TWD 4.5265 billion in pledged debt-type securities; balances of pledged international bonds were AUD 3.22 million and RMB 30.2 million.
- (5) TDCC handled book-entry operations for 10,027,703 distributions of equity securities, making distributions of 288, 792,392,000 shares to a total of 32,981 accounts, for a monthly average of 2,748 distributions;

TDCC handled book-entry operations for a total distribution amount of TWD 508,480,500,000 for debt-type securities to a total of 1,188 accounts, with a total of 142 distributions and a monthly average of about 12 distributions.

- (6) TDCC handled 8,931,376 book-entry delivery operations for a total of 228,629,085 units, a total of 148,169 book-entry deliveries and a monthly average of about 12,347 deliveries.

2. Securities depository operations

- (1) As of 29 July 2011, dematerialization had been achieved for all TWSE-listed, GTSM-listed, and emerging market securities. The total number of TWSE-listed shares under custody was 755,999,350,000. The total number of GTSM-listed shares under custody was 84,256,997,000, and for emerging-stock company shares, the total was 30,390,871,000. The overall total of TWSE-listed, GTSM-listed, and emerging-stock company shares under custody was 870,647,218,000.
- (2) The principle amount of fixed income securities under custody was TWD 2.8087 trillion, including domestic bonds of TWD 2.7887 trillion, and international bonds of AUD 57.59 million, RMB 3.4755 billion, and JPY 5 billion.

General organization of TDCC

TDCC's Memorandum of Association was created in accordance with the Company Act of the Republic of China. The company has one Chairman and one President and the Chairman represents the company. Under the President, there are two senior vice presidents assigned to supervise all departments of the company, and one secretary general is assigned to supervise documentation and coordination across departments. Headed by one senior vice president who is assigned clear, segregated responsibilities and authorities, each department carries out its businesses with subordinate functional divisions. Details regarding corporate governance have been disclosed on the company's website and in annual reports. TDCC's board of directors functions in accordance with the Company Act by which their conflicts of interest are governed. The board consists of seven members

elected through a shareholders' meeting. That TDCC's Internal Audit Department reports directly and regularly to the board of directors provides effective internal supervision. Coupled with external supervision from the authority, TDCC is deemed to have exercised adequate corporate governance to support the stability of its financial system and protect the interests of the public and stakeholders.

Legal and regulatory framework

TDCC's CSD services are based upon the "Governing Regulations." The Securities and Futures Bureau of the Financial Supervisory Commission serves as the direct authority of TDCC. The bureau is responsible for supervising both securities and futures markets. Financial Supervisory Commission is the ultimate financial authority within the R.O.C.

System design and operations

TDCC's custody and book-entry services involve a "two-tiers account structure" between the investor, the participant and TDCC. This relationship is explained as follows:

First tier: The investor opens a central depository account at a securities firm, and signs an agreement to have the securities firm perform clearance, settlement, transfers and pledge deliveries on behalf of the investor. The securities firm sets up a separate book to account for the investor's holding positions and transactions.

Second tier: TWSE, GTSM, securities finance enterprises, securities firms and all other parties involved in market settlements are required to become participants to TDCC and open depository accounts. Through these accounts, participants may deposit, withdraw and make book-entry transfers of securities.

IV. Principle-by-principle summary narrative disclosure

Principle-by principle summary narrative disclosure	
Principle 1 An FMI should have a well-founded, clear, transparent, and enforceable legal basis for each material aspect of its activities in all relevant jurisdictions.	
Summary narrative	<p>TDCC has developed highly certain legal basis for all significant aspects of its business activities in all applicable jurisdictions. TDCC has implemented clear and understandable rules, procedures and agreements that are consistent with laws. TDCC has conveyed the legal basis of its activities to the relevant authorities, participants and participants' customers in a clear and understandable way.</p> <p>TDCC has implemented enforceable rules, procedures and agreements and ensured their certainty in various jurisdictions. TDCC has taken steps to identify and mitigate potential conflicts of law across jurisdictions prior to commencing business activities.</p>

Principle 2 An FMI should have governance arrangements that are clear and transparent, promote the safety and efficiency of the FMI, and support the stability of the broader financial system, other relevant public interest considerations, and the objectives of relevant stakeholders.	
Summary narrative	<p>TDCC is incorporated under the "Securities and Exchange Act" and the "Company Act" and the board of directors is TDCC's highest executive decision maker. The board has seven members who are elected in a shareholders meeting under the relevant laws. According to the "Governing Regulations," TDCC is required to report to the competent authority on any change of board</p>

members. The TDCC Memorandum of Association has clearly outlined the duties of the board of directors, and strictly prohibits board members from taking employment positions in any participants. Appointment and dismissal of the management personnel are subject to the board of directors' approval. Major decisions made by the management also need to be resolved by the board of directors, and if necessary, by shareholders through a general or special meeting. TDCC has implemented the "hierarchical authorization for decision making and final approval" and empowered each level of the authorization system in the company with adequate authority to perform its tasks.

For the safety and efficiency of Taiwan's securities market, TDCC has included safety and efficiency standards into quality objectives of the company's business and operation, and for which it has obtained ISO 9001 quality certification and ISO 27001 information security certification. The "Governing Regulations" have clearly outlined the services that TDCC offers to the market and regulated the service fees. TDCC makes its annual business plan each year to enhance the central depository and book-entry operations, broaden the scope of its services and provide participants better safety and efficiency services. TDCC has established a Research, Development and Fee Committee directly under the board of directors. In order to improve the TDCC's business development and reasonableness of the service fee standards and ensure other relevant public interest, TDCC has invited participants, scholars and market experts to join the committee and review the company's

	<p>business development and the service fee standards on a regular basis. Information relating to corporate governance is published on TDCC's website or disclosed in TDCC's annual report. The annual report is made available over TDCC's website.</p>
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Principle 3: Framework for the comprehensive management of risks
An FMI should have a sound risk-management framework for comprehensively managing legal, credit, liquidity, operational, and other risks.

<p>Summary narrative</p>	<p>TDCC has been incorporated in accordance with the "Regulations Governing Centralized Securities Depository Enterprises" to provide services such as centralized securities custody and book-entry transfer, settlement of TWSE and GTSM listed securities, clearing and delivery of Emerging Stocks, and registration of securities issued in dematerialized form. These services give rise to market risks, operational risks and general business risks, for which TDCC has implemented proper risk management policies, procedures and systems to identify, measure, monitor and manage these risks. This risk framework is reviewed on a regular basis.</p> <p>TDCC has established its "Securities Firm Guidance Procedures" and "Audit Procedures for Securities Central Depository and Short-term Interest Benchmarking" in place. Through guidance, reviews and audits, TDCC is able to ensure that internal control systems are soundly enforced by participants and their customers to manage business risks.</p> <p>TDCC is regulated by the authority in terms of business activities, participants, and eligible</p>
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	<p>securities under its custody. TDCC is also bound to manage working capital and provide for default damages reserves and special reserves according to regulations. For these reasons, TDCC is deemed to have adequately managed risks borne from and posed to other companies due to interdependencies.</p> <p>TDCC has identified scenarios that may potentially prevent it from being able to provide its critical operations and services, and has addressed them in its "Crisis Management Manual" and BCP.</p>
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Principle 4: Credit risk

An FMI should effectively measure, monitor, and manage its credit exposure to participants and those arising from its payment, clearing, and settlement processes. An FMI should maintain sufficient financial resources to cover its credit exposure to each participant fully with a high degree of confidence. In addition, a CCP that is involved in activities with a more-complex risk profile or that is systemically important in multiple jurisdictions should maintain additional financial resources sufficient to cover a wide range of potential stress scenarios that should include, but not be limited to, the default of the two largest participants and their affiliates that would potentially cause the largest aggregate credit exposures to the CCP in extreme but plausible market conditions. All other CCPs should maintain, at a minimum, total financial resources sufficient to cover the default of the one participant and its affiliates that would potentially cause the largest aggregate credit exposures to the CCP in extreme but plausible market conditions.

<p>Summary narrative</p>	<p>No assessments required. This principle is not relevant to CSD.</p>
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Principle 5: Collateral

An FMI that requires collateral to manage its or its participants' credit exposure should accept collateral with low credit, liquidity, and market risks. An FMI should also set and enforce appropriately conservative haircuts and concentration limits.

Summary narrative

No assessments required. This principle is not relevant to CSD.

Principle 6:Margin

A CCP should cover its credit exposures to its participants for all products through an effective margin system that is risk-based and regularly reviewed.

Summary narrative

No assessments required. This principle is not relevant to CSD.

Principle 7: Liquidity risk

An FMI should effectively measure, monitor, and manage its liquidity risk. An FMI should maintain sufficient liquid resources in all relevant currencies to effect same-day and, where appropriate, intraday and multiday settlement of payment obligations with a high degree of confidence under a wide range of potential stress scenarios that should include, but not be limited to, the default of the participant and its affiliates that would generate the largest aggregate liquidity obligation for the FMI in extreme but plausible market conditions.

Summary narrative

No assessments required. This principle is not relevant to CSD.

Principle 8: Settlement finality

An FMI should provide clear and certain final settlement, at a minimum by the end of the value date. Where necessary or preferable, an FMI should provide final settlement intraday or in real time.

Summary narrative	No assessments required. This principle is not relevant to CSD.
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<p>Principle 9: Money settlements</p> <p>An FMI should conduct its money settlements in central bank money where practical and available. If central bank money is not used, an FMI should minimize and strictly control the credit and liquidity risk arising from the use of commercial bank money.</p>	
Summary narrative	No assessments required. This principle is not relevant to CSD.

<p>Principle 10: Physical deliveries</p> <p>An FMI should clearly state its obligations with respect to the delivery of physical instruments or commodities and should identify, monitor, and manage the risks associated with such physical deliveries.</p>	
Summary narrative	<p>According to Article 10 "Regulations Governing the Offering and Issuance of Securities by Securities Issuers" enacted on July 1, 2006, an exchange-listed, GTSM-listed, or emerging stock company that issues stocks or corporate bonds shall deliver them by book-entry transfer in scripless form.</p> <p>TDCC has dematerialized all physical stocks previously issued by the exchange-listed, GTSM-listed, or emerging stock company as of July 29, 2011, and no longer offers physical deliveries for its participants. For this reason, TDCC is not exposed to the risks of physical deliveries.</p>

Principle 11: Central securities depositories

A CSD should have appropriate rules and procedures to help ensure the integrity of securities issues and minimize and manage the risks associated with the safekeeping and transfer of securities. A CSD should maintain securities in an immobilized or dematerialized form for their transfer by book entry.

Summary narrative

To register or cancel securities, issuers are required to seek prior approval from the authority then provide the needed documentation to TDCC. Once TDCC has verified the submitted details, it may proceed with the register or cancellation as requested.

Issuers and participants are able to reconcile account movements at any time through their links with TDCC. Furthermore, TDCC provides statements every business day for issuers and participants to reconcile account balances and movements.

When an investor requests book-entry transfer of securities, TDCC would activate controls that prevent the securities account from falling into a negative balance. When an investor sells stocks through a securities firm, the securities firm would also confirm the investor's account balance before executing the order. If a securities firm has insufficient securities balance to deliver, it may either borrow securities from TWSE or request TWSE to issue a securities delivery voucher to complete the settlement, thereby preventing securities account from falling into negative balance.

Securities that have been placed in the custody of TDCC on a commingled basis are treated as assets jointly owned

	between participants and their customers. Within a participant's account, the participant's holding positions are recorded separately from those of its customers.
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Principle 12: Exchange-of-value settlement systems

If an FMI settles transactions that involve the settlement of two linked obligations (for example, securities or foreign exchange transactions), it should eliminate principal risk by conditioning the final settlement of one obligation upon the final settlement of the other.

Summary narrative	No assessments required. This principle is not relevant to CSD.
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Principle 13: Participant-default rules and procedures

An FMI should have effective and clearly defined rules and procedures to manage a participant default. These rules and procedures should be designed to ensure that the FMI can take timely action to contain losses and liquidity pressures and continue to meet its obligations.

Summary narrative	Rules and procedures pertaining to participants' settlement defaults are created and enforced by TWSE and GTSM, for which TDCC is not responsible.
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Principle 14: Segregation and portability

A CCP should have rules and procedures that enable the segregation and portability of positions of a participant's customers and the collateral provided to the CCP with respect to those positions.

Summary narrative	No assessments required. This principle is not relevant to CSD.
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Principle 15: General business risk

An FMI should identify, monitor, and manage its general business risk and hold sufficient liquid net assets funded by equity to cover potential

general business losses so that it can continue operations and services as a going concern if those losses materialize. Further, liquid net assets should at all times be sufficient to ensure a recovery or orderly wind-down of critical operations and services.

Summary narrative

TDCC is incorporated according to the "Regulations Governing Centralized Securities Depository Enterprises" and is governed by the authority with regards to its use of funds, provision of default damages reserves and special reserves. It has adequate risk management policies and procedures in place to identify, monitor and manage general business risks.

TDCC holds sufficient liquid net assets funded by equity to cover general business losses, and is therefore able to continue operations and services as a going concern. TDCC has implemented a feasible recovery plan and maintained sufficient and adequate liquid net assets to execute the plan.

Principle 16: Custody and investment risks

An FMI should safeguard its own and its participants' assets and minimize the risk of loss on and delay in access to these assets. An FMI's investments should be in instruments with minimal credit, market, and liquidity risks.

Summary narrative

TDCC was incorporated under "Regulations Governing Centralized Securities Depository Enterprises" to provide services such as custody of securities which are listed on the stock exchanges, traded over the counter and approved by the authority, and registration of securities issued in dematerialized form. TDCC established "Working Capital Management Guidelines" and "Working Capital Management Procedures" that specifically require all time deposits, collaterals, and stocks to

	<p>be placed under its custody. TDCC has implemented effective accounting practices, custody procedures and internal controls to adequately protect assets held under its custody.</p> <p>TDCC adopts an investment strategy that is consistent with its overall risk strategy; both of which have been fully disclosed to participants. All investments held by TDCC are highly liquid and less prone to credit risks.</p>
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Principle 17: Operational risk

An FMI should identify the plausible sources of operational risk, both internal and external, and mitigate their impact through the use of appropriate systems, policies, procedures, and controls. Systems should be designed to ensure a high degree of security and operational reliability and should have adequate, scalable capacity. Business continuity management should aim for timely recovery of operations and fulfillment of the FMI’s obligations, including in the event of a wide-scale or major disruption.

<p>Summary narrative</p>	<p>TDCC has attained ISO 9001 and ISO 27001 certification. Its IT systems are subjected to risk assessments whereas system operations are guided with standard procedures. TDCC has its own internal control system to administrate and control business activities. TDCC has implemented the “hierarchical authorization for decision making and final approval” and delegated authorities according to the level of responsibilities and the business activities involved.</p> <p>TDCC has an Internal Audit Department created under the board of directors to perform regular audits according to the internal control system. Furthermore, each department is required to perform</p>
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	<p>regular self-audits to determine whether their operating procedures have complied with the internal control system. TDCC sets targets of ISO 9001 and ISO 27001 each year and subjects to audits by external agencies to ensure adherence to ISO 9001 and ISO 27001 standards and its achievement of the targets.</p> <p>TDCC has implemented its comprehensive physical and information security policies that address potential vulnerabilities and threats. Meanwhile, TDCC also budgets equipment purchases for the upcoming year to meet expected increases in capacity demands.</p> <p>TDCC has its own business continuity plan (BCP) capable of handling major risk events. Such events that are likely to disrupt the company's operations have been included as selectively rehearsed events in TDCC's "Crisis Management Manual" each year. The BCP also covers the secondary site and back-up procedures for use at times when the primary system undergoes a malfunction. Both of which are evaluated regularly to ensure adequacy.</p>
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<p>Principle 18: Access and participation requirements An FMI should have objective, risk-based, and publicly disclosed criteria for participation, which permit fair and open access.</p>	
<p>Summary narrative</p>	<p>TDCC has implemented objective, risk-based, and publicly disclosed criteria for participation, and permitted fair and open access.</p> <p>TDCC has outlined eligibility criteria for participants. Risk management within these parties is governed by their respective authorities.</p>

	<p>Criteria for participation have been disclosed publicly through TDCC's website, and TDCC has established the exit procedures for those that do not satisfy the participation criteria.</p>
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<p>Principle 19: Tiered participation arrangements</p>	
<p>An FMI should identify, monitor, and manage the material risks to the FMI arising from tiered participation arrangements.</p>	
<p>Summary narrative</p>	<p>TDCC has no tiered participation arrangements.</p>

<p>Principle 20: FMI links</p>	
<p>An FMI that establishes a link with one or more FMIs should identify, monitor, and manage link-related risks.</p>	
<p>Summary narrative</p>	<p>Prior to establishing connections with other FMIs, TDCC will conduct assessments on the connection design, the legal basis, the credibility, liquidity and the operational risks of the FMI's. The domestic FMIs that have established links with TDCC are incorporated according to the Securities and Exchange Act or the Futures Trading Act and are highly regulated by the authority. Thus the links present no risks to TDCC. Furthermore, these links have already been governed and legally supported by Regulations Governing Centralized Securities Depository Enterprises. TDCC's links with ICSDs are established in contractual relationships. Credit risks and liquidity risks associated with these links have been assessed, monitored and managed in participants' best interests.</p>

	<p>There have been no provisional transfers of securities. TDCC's link with issuers' CSDs through the intermediary has been arranged in contract. Risks associated with the intermediary are constantly monitored. In addition, TDCC monitors the promptness and accuracy of book-entry transfers made through the intermediary.</p>
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Principle 21: Efficiency and effectiveness

An FMI should be efficient and effective in meeting the requirements of its participants and the markets it serves.

<p>Summary narrative</p>	<p>Prior to launching new services, TDCC will convene public hearings to solicit the public opinion, and attend meetings organized by securities-related associations and arrange visits with participants to perceive the market's needs. Furthermore, TDCC organizes satisfaction surveys and convenes quality and security review meetings on a regular basis to make sure that its services can meet the needs of the participants and the public in quality and in system security. TDCC uses a performance assessment criterion report to evaluate business plan on an annual basis. Once approved by the authority, the performance report is tracked on a quarterly basis and reported to the authority at year-end. TDCC also adopts ISO 9001 and ISO 27001 quality certification; it sets quality objectives on a yearly basis and reviews progress through Management Review Committee meetings.</p>
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Principle 22: Communication procedures and standards

An FMI should use, or at a minimum accommodate, relevant internationally accepted communication procedures and standards in

order to facilitate efficient payment, clearing, settlement, and recording.

Summary narrative

TDCC has linked up to Euroclear's and Clearstream's systems respectively and established its book-entry operations mechanism that facilitates cross-border transfer and custody of bonds based on the communication procedures and standards used by Euroclear and Clearstream.

Principle 23: Disclosure of rules, key procedures, and market data

An FMI should have clear and comprehensive rules and procedures and should provide sufficient information to enable participants to have an accurate understanding of the risks, fees, and other material costs they incur by participating in the FMI. All relevant rules and key procedures should be publicly disclosed.

Summary narrative

All procedures relevant to TDCC's services have been outlined in regulations and operating manuals, which participants may inquire about through TDCC's website. TDCC participants may learn of their rights, obligations and risks through disclosures made in the service agreement, the Operating Rules and the Guidelines. Any adjustments to existing policies are disseminated to participants and announced publicly on TDCC's website. In addition, TDCC annually and periodically provides seminars and training for securities personnel and creates an e-training system on its website. TDCC also offers counsel to participants regarding its services. All changes to TDCC's fee rates are subject to approval by the authority and are notified to each participant through separate correspondence.

Principle 24: Disclosure of market data by trade repositories
A TR should provide timely and accurate data to relevant authorities and the public in line with their respective needs.

Summary narrative	No assessments required. This principle is not relevant to CSD.
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V. List of publicly available resources

Regulations

1. Securities and Exchange Act
2. Regulations Governing Centralized Securities Depository Enterprises
3. Regulations Governing the Offering and Issuance of Securities by Securities Issuers.
4. Regulations Governing Book-Entry Operations for Centrally Deposited Securities
5. Regulations Governing the Establishment of Internal Control Systems by Service Enterprises in Securities and Futures Markets
6. Personal Information Protection Act
7. The Classified National Security Information Protection Act
8. Executive Yuan and Subordinate Agencies Information Security Management Points
9. Executive Yuan and Subordinate Agencies Information Security Management Standards
10. Ministry of Finance and Subordinate Agencies (Institutions) Information Security Management Guidelines
11. Copyright Act
12. Regulations Governing Securities Firms
13. Standards Governing the Establishment of Securities Firms
14. Regulations Governing the Operation of Securities Introducing Broker Business by Futures Commission Merchants

Publications

1. Taiwan Depository and Clearing Corporation – 2012 Annual Report

2. Taiwan Depository and Clearing Corporation – 2012 Handbook
3. Operating Manual for Book-Entry Operations for Centrally Deposited Securities, May 2012
4. Q&A for the Administration of Dematerialized Securities and Corporate Action (10); December 2012

The company's publicly disclosed internal policies

1. Taiwan Depository and Clearing Corporation – Memorandum of Association
2. Operating Rules of the Taiwan Depository & Clearing Corporation
3. Taiwan Depository and Clearing Corporation Fee Rules
4. Taiwan Depository and Clearing Corporation – Guidelines on Participants' Book-Entry Operations for Clearing and Settlement of Negotiated OTC Trades of Emerging Stocks
5. Taiwan Depository and Clearing Corporation – Guidelines on Participants' Book-Entry Operations for Fixed Income Securities
6. Taiwan Depository and Clearing Corporation – Guidelines for Participants' acceptance and delivery of securities and payment for Fixed Income Securities
7. Taiwan Depository and Clearing Corporation – Guidelines on Participants' Book-Entry Operations for International Bonds
8. Taiwan Depository and Clearing Corporation – Guidelines on Participants' Operations for Securities Depository in Separate Custody
9. Taiwan Depository and Clearing Corporation – Guidelines on Participants' Book-Entry Operations for Convertible Corporate Bonds
10. Taiwan Depository and Clearing Corporation – Guidelines on Book-Entry Operations for Participants' Securities Distribution
11. Taiwan Depository and Clearing Corporation – Guidelines on Participants' Book-Entry Operations for Call (Put) Warrants
12. Taiwan Depository and Clearing Corporation – Guidelines for Testing Issuing Companies' Printed Securities
13. Taiwan Depository and Clearing Corporation – Guidelines on Participants' Book-Entry Operations for Foreign Securities
14. Taiwan Depository and Clearing Corporation – Operating Guidelines for

- Securities: Issuing Companies' Cancellation of Previous Shareholders' Rights, Mergers, Splits and the Exchange of old for new
15. Taiwan Depository and Clearing Corporation – Guidelines on Participants' Book-Entry Operations for Corporate Bonds with Warrant (or Preferred Stocks) and Warrants
 16. Taiwan Depository and Clearing Corporation – Guidelines on Participants' Book-Entry Operations for Securities related to Futures Trading
 17. Taiwan Depository and Clearing Corporation – Guidelines on Participants' Book-Entry Operations for Exchangeable Corporate Bonds
 18. Taiwan Depository and Clearing Corporation – Guidelines for Issuing Companies' Registration and Book-Entry Delivery of Securities issued in Dematerialized Form
 19. Taiwan Depository and Clearing Corporation – Guidelines on Securities Brokers' Reporting and Book-Entry Operations for Brokerage Sale of Stock not Owned by the Principal
 20. Taiwan Depository and Clearing Corporation – Guidelines on Custodians' Book-Entry Operations for Securities under TDCC's Custody
 21. Taiwan Depository and Clearing Corporation – Guidelines for Issuing Companies' Operations in Replacing their Outstanding Stocks under TDCC's Custody with Jumbo Certificates
 22. Taiwan Depository and Clearing Corporation – Guidelines on Participants' Book-Entry Operations for Odd-Lot Stocks under TDCC's Custody
 23. Taiwan Depository and Clearing Corporation – Guidelines on Participants' Operations for Settlement with “Securities Delivery Voucher”
 24. Taiwan Depository and Clearing Corporation – Guidelines on Book-Entry Operations for Participants' Day-trades, Out-trades, Correction of an account number, Failed Trades and Defaults by Principals
 25. Taiwan Depository and Clearing Corporation – Guidelines on Early Warning Procedures of Participants' Operations for Centrally Deposited Securities

26. Taiwan Depository and Clearing Corporation – Guidelines on Participants' Book-Entry Operations for Securities Assignments
27. Taiwan Depository and Clearing Corporation – Guidelines on Participants' Book-Entry Operations for Exchange Traded Funds
28. Taiwan Depository and Clearing Corporation – Guidelines on Foreign Issuers' Operations for Centralized Securities Depository and Book-Entry Transfers of Securities for TWSE Primary Listing, GTSM Primary Listing, and listing on the Emerging Stocks Market
29. Taiwan Depository and Clearing Corporation – Account Opening Agreement between TDCC and a Securities Broker for Securities Custody and Transfers
30. Taiwan Depository and Clearing Corporation – Account Opening Agreement between TDCC, a Securities Broker and the Broker's Client for Securities Custody and Transfers