

Cross-Border Services in TDCC

Taiwan Depository & Clearing Corporation

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2015.11.4

Agenda

I. Background

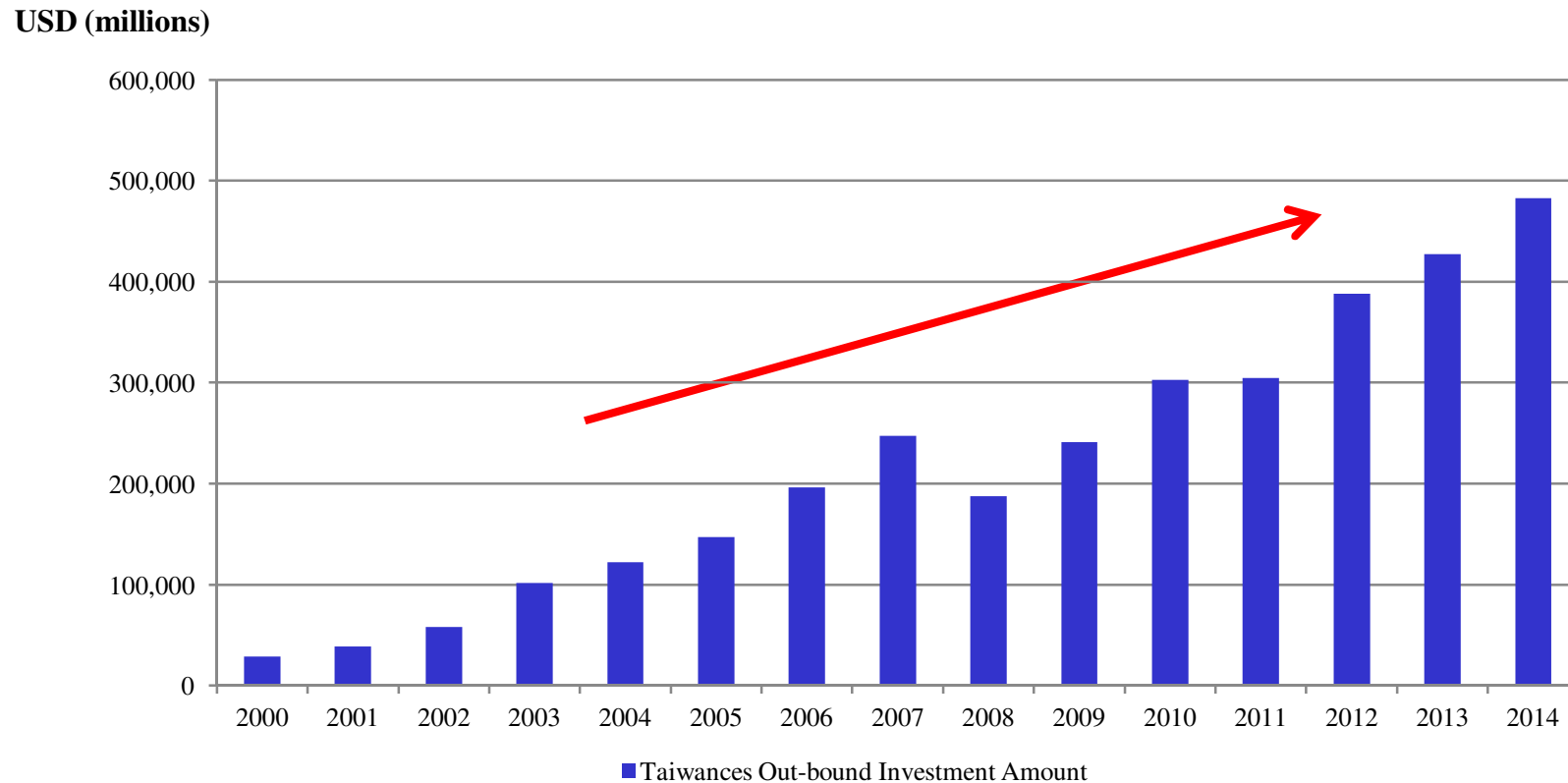
II. Cross-Border Services in TDCC

III. Future Prospects

I. Background

■ Growth of Taiwan's Out-Bound Investment

Until Dec. 2014, Taiwan's out-bound securities investment amount was USD 480 billion.

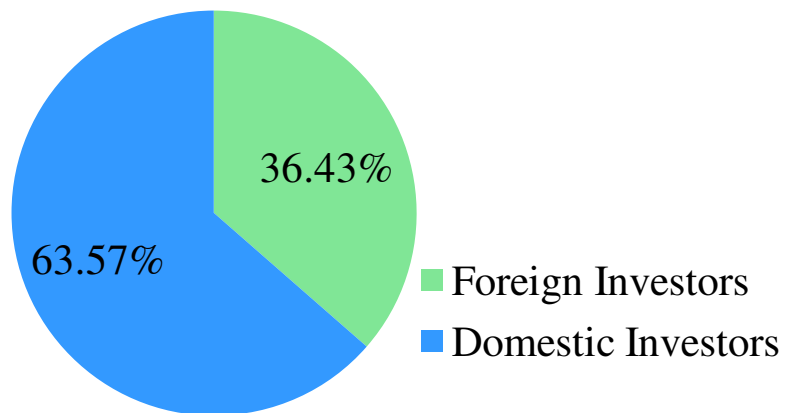


Data Source: Central bank of ROC

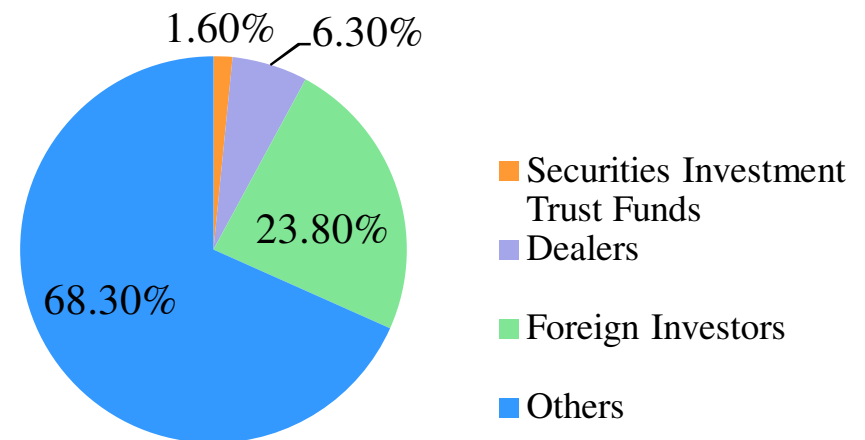
I. Background

■ In-bound Investment of Foreign Investors

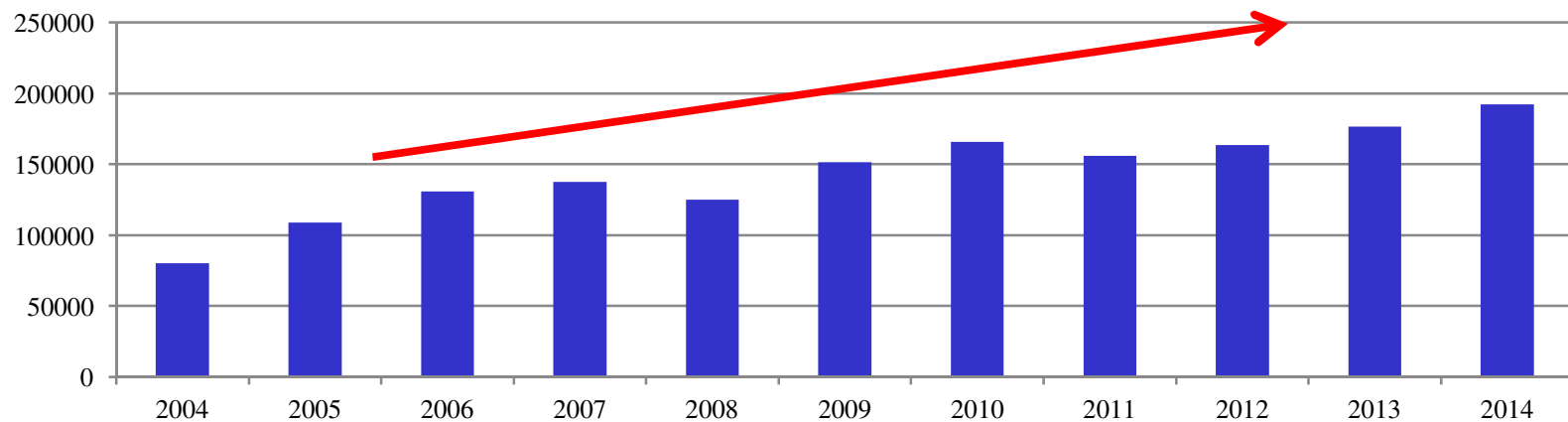
2014/12 Taiwan Stock Market Value Held



2014/12 Taiwan Stock Total Trading Amount



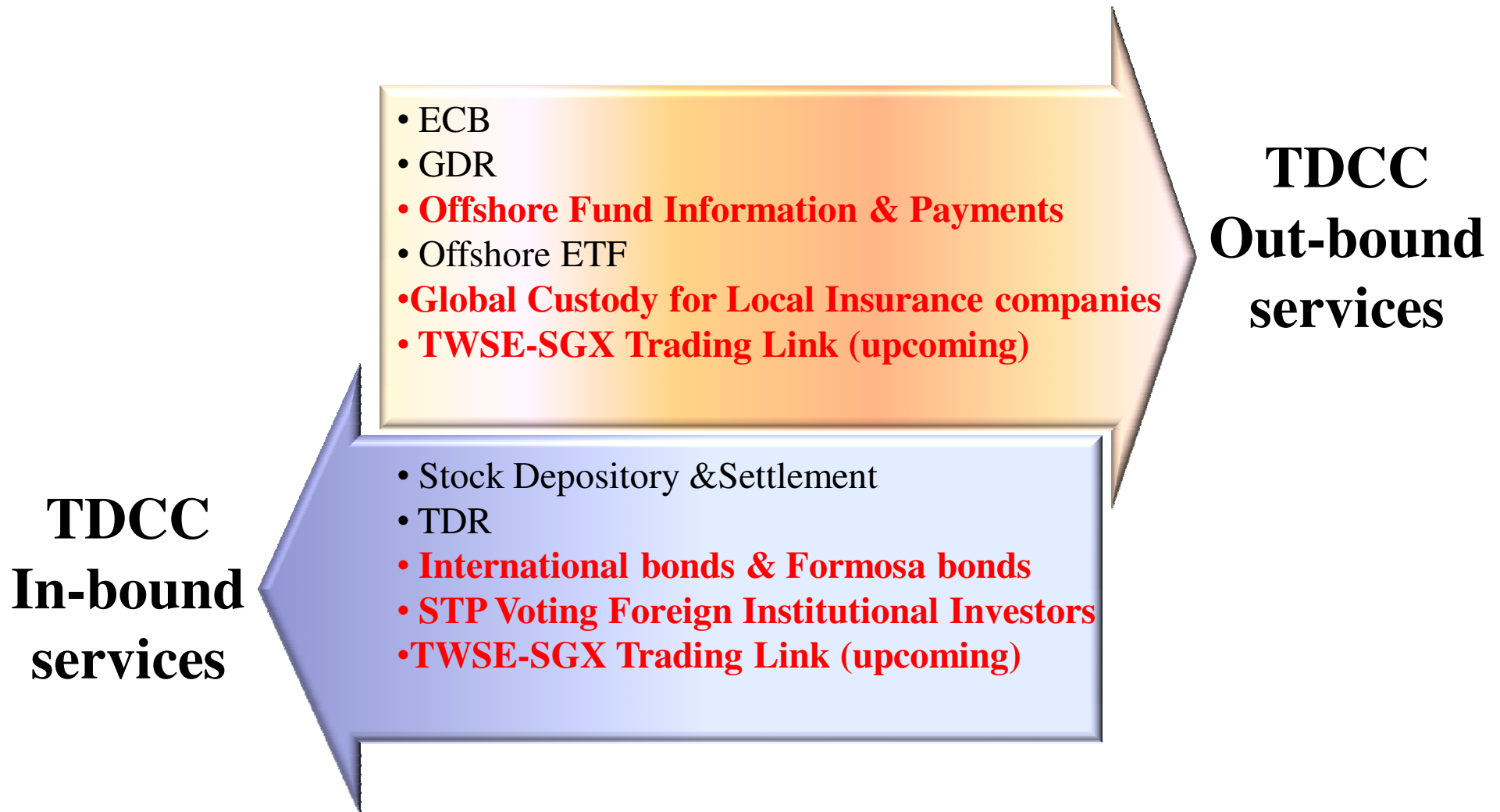
USD (millions)



Data Source: Central bank of ROC

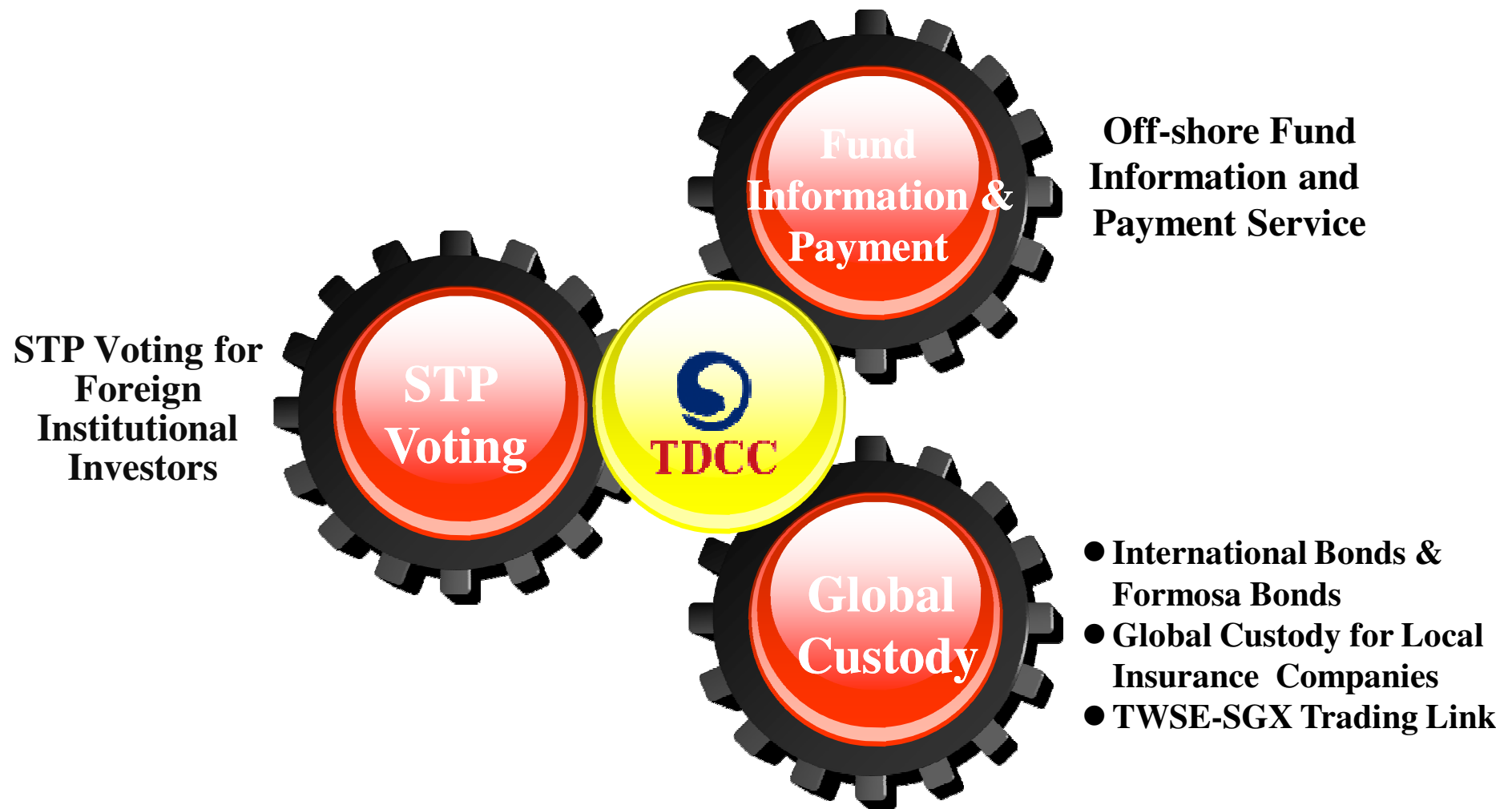
■ Taiwan In-bound Investment Amount

I. Background



II. Cross-Border Services in TDCC

■ Major Cross-Border Services



II. Cross-Border Services in TDCC

1. Off-shore Fund Information and Payment Service

■ Background

1. Taiwanese investors subscribe USD 70 billion off-shore funds annually
2. Heavy workload and man-made mistakes are caused by tax issues

■ TDCC's Solution

1. TDCC launched information and payment services for off-shore funds in 2006
2. By cooperating with BBH, Calastone, and Euroclear in 2012, TDCC provided order routing services

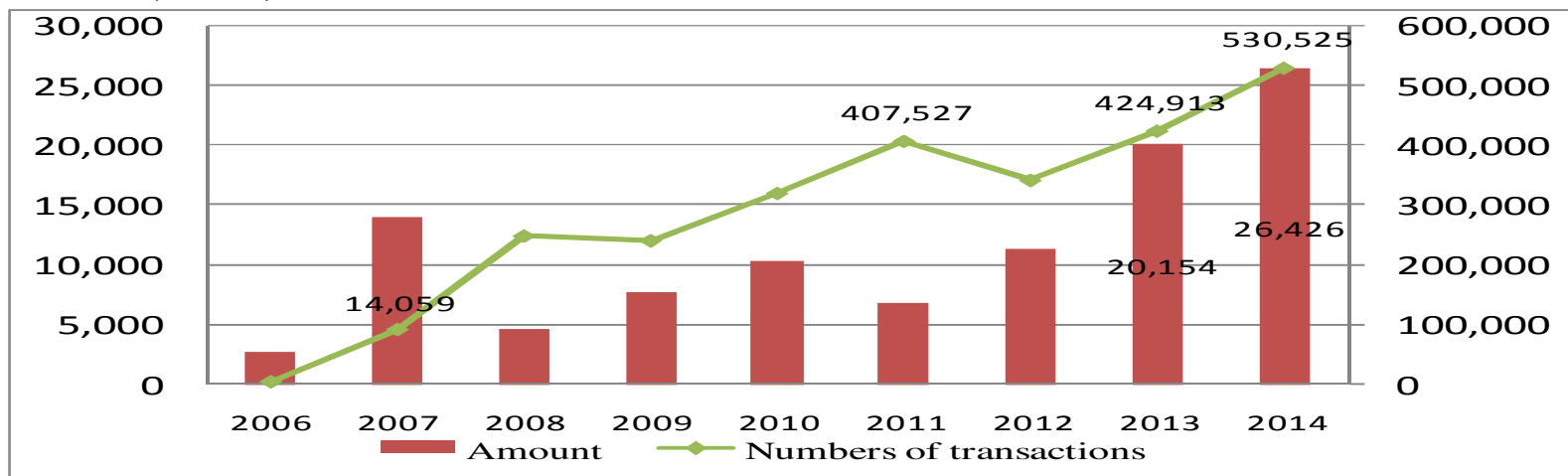
II. Cross-Border Services in TDCC

1. Off-shore Fund Information and Payment Service

■ Off-shore Fund Information and Payment

Units : NTD (millions)

Units : Number of Transactions



■ Fund Information Service

1. All major banks started to use our service
2. All major off-shore fund companies have access

■ Benefits

1. 75% distributors and 80% local fund companies using new STP service
2. High efficiency, low error rate and low cost

II. Cross-Border Services in TDCC

2. STP Voting for Foreign Institutional Investors

■ Background

1. Until Dec. 2014, 36.43% of capitalization of Taiwan was held by foreign investors.
2. There are about 1,500 foreign investment targets (80% of listed companies in Taiwan)
3. The efficiency and convenience of cross-border voting has a direct influence on shareholders' equity and corporate governance

■ TDCC's Solution

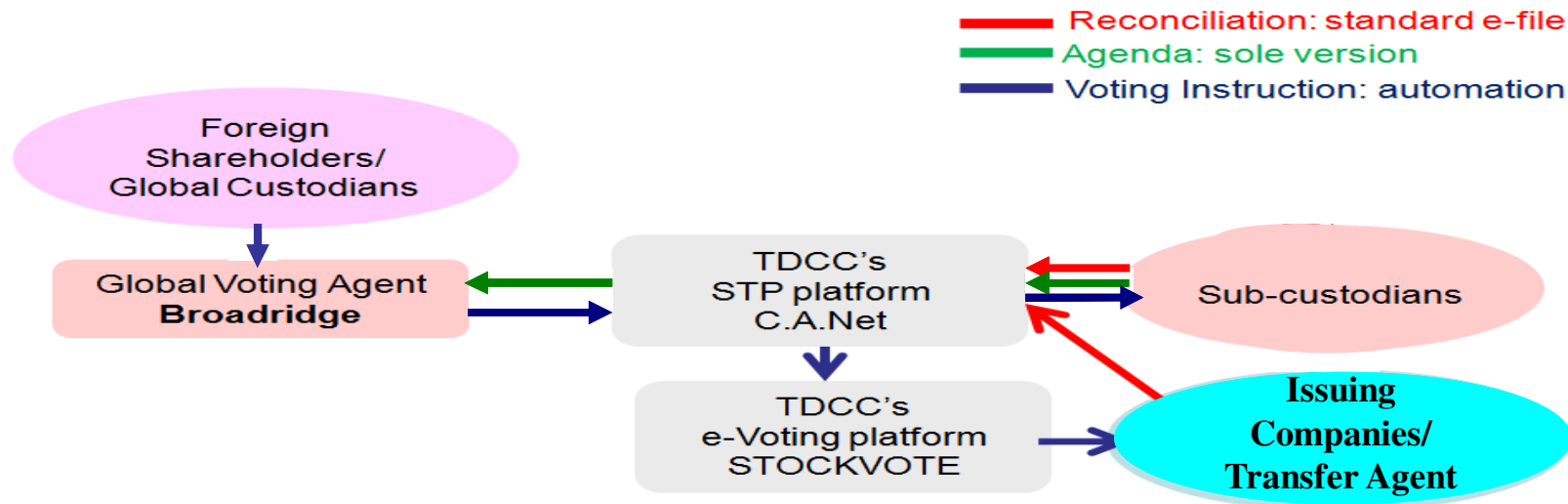
TDCC launched E-Management and automated processing mechanism in Dec. 2014.

1. Custodian bank's reconciliation is computerised
2. The English version of shareholders' meeting agenda is standardized.
3. Cross-border voting and straight through process (STP) were established by TDCC and Broadridge

* Broadridge is the No. 1 global proxy voting service provider

II. Cross-Border Services in TDCC

2. STP voting for Foreign Institutional Investors



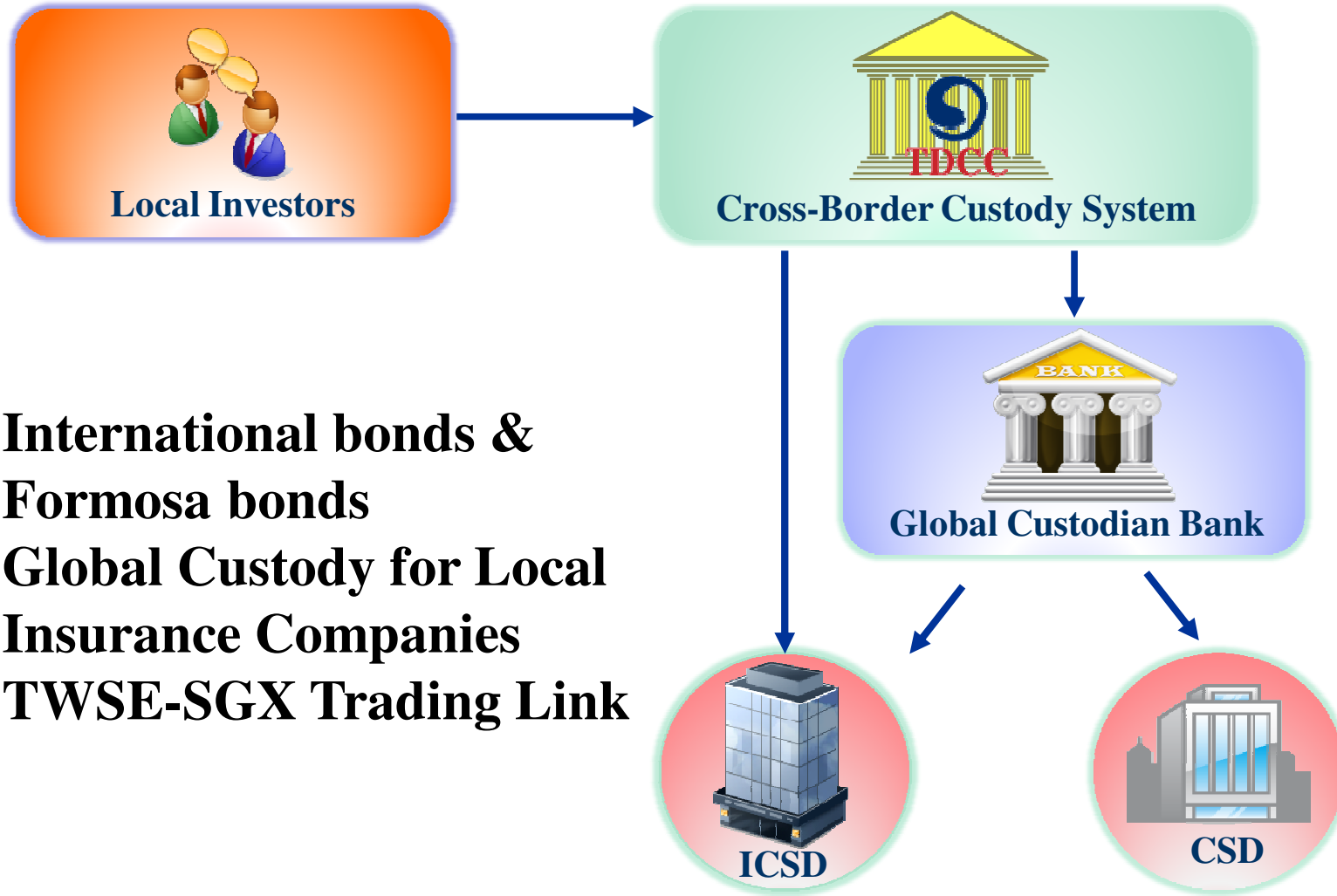
The STP platform has processed **810,000** voting instructions from Broadridge in the proxy season 2015

■ Benefits

1. Gained 2-4 more days for foreign investors to vote
2. Escalated corporate governance by strengthening shareholders' rights
3. Drastically decreased up to 23,000 hours in workload for sub-custodian banks in the proxy season 2015

II. Cross-Border Services in TDCC

3. Global Custody



- International bonds & Formosa bonds
- Global Custody for Local Insurance Companies
- TWSE-SGX Trading Link

II. Cross-Border Services in TDCC

3.Global Custody

■ Benefits

➤ International Bond & Formosa Bond

- 1.Facilitate domestic investment in foreign currency dominated securities and facilitate global bond issuers and investors to enter Formosa Bond market
- 2.High growth in International Bond & Formosa Bond market, 117 bonds launched with the amount of USD 22.6 billion in first half of 2015

➤ Global Custody for Local Insurance Companies

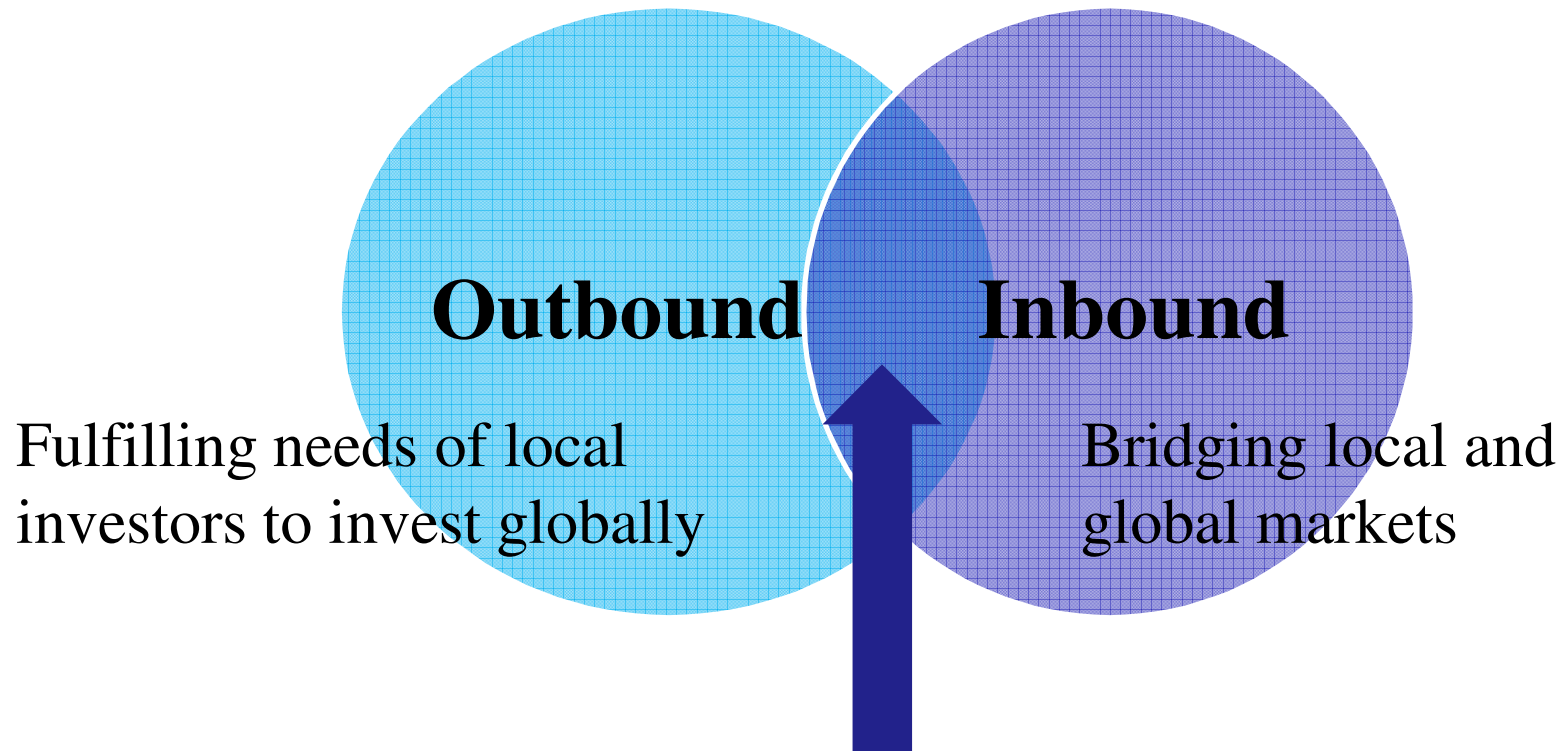
- 1.Provide convenient back office services to Taiwanese institutional investors.
- 2.Build strong connection with ICSDs and global custodian banks

➤ TWSE-SGX Trading Link

- 1.Increase investment efficiency
- 2.Lower trading cost for investors
- 3.Attract foreign investment

III. Future Prospects

Bridging local and global markets



Connectivity

Enhancing the connectivity
with global markets



**Thanks for your
attention!**