

Onshore Overseas Chinese and Foreign Nationals

Qualification

According to the article II-1-(2) of the “[Operation Directions for Applications by Overseas Chinese, Foreign Nationals, and Mainland China Area Investors for Registration to Invest in Domestic Securities or Trade Domestic Futures](#)”, the term "onshore overseas Chinese and foreign nationals" means overseas Chinese, foreign natural persons and foreign institutional investors inside the territory of the Republic of China (ROC)

1. Onshore Overseas Chinese and Foreign natural persons: Persons at least 20 years old, residing in the territory of the ROC with an overseas Chinese identification certificate, a valid passport subject to Overseas Compatriot Identity Endorsement or alien resident certificate.
2. Onshore Foreign Institutional Investors: Foreign juristic person which sets up a branch office in the territory of the ROC.

Applying for ID

To engage in futures trading, an overseas Chinese or foreign national shall carry out identity registration to Taiwan Stock Exchange (TWSE) online, and obtain the ID code authorized by TWSE in accordance with the “[Operation Directions for Applications by Overseas Chinese, Foreign Nationals, and Mainland China Area Investors for Registration to Invest in Domestic Securities or Trade Domestic Futures](#)”. The ID registration process for futures trading is not required for those who already registered with TWSE and obtained the qualification to invest in domestic securities. The procedure of registration may differ by the types of overseas investors. For the overseas Chinese and foreign nationals inside the territory of ROC may only carry out ID registration through a security brokerage firm or an FCM.

■ Application Registration Form

An onshore overseas Chinese and foreign nationals shall fill out the application registration form.

■ Documents Enclosed

When Applying for registration, onshore overseas Chinese and foreign nationals shall prepare the following documents:

1. Onshore Overseas Chinese and Foreign Natural Persons: passport and alien resident certificate or overseas Chinese identification certificate.
2. Onshore Foreign Institutional Investors: The Recognition Certificate from the Ministry of Economic Affairs, company registration certificate, business registration certificate, the identification certificate or the alien resident certificate or passport of the responsible person.

■ Flow of Processing

1. The onshore overseas Chinese or foreign national applying for registration should prepare the required documents and entrust a securities brokerage firm or an FCM to apply to the TWSE.
2. Once the securities brokerage firm or futures commission merchant transmits the registration form filled out online through the TWSE system, TWSE will immediately review each item of the transmitted material and provide the result of the registration application online. After completing the registration, the securities company or futures commission merchant does not need to deliver to the TWSE the relevant documents and material of the onshore overseas Chinese or foreign national. The securities company should keep copies of the documents.

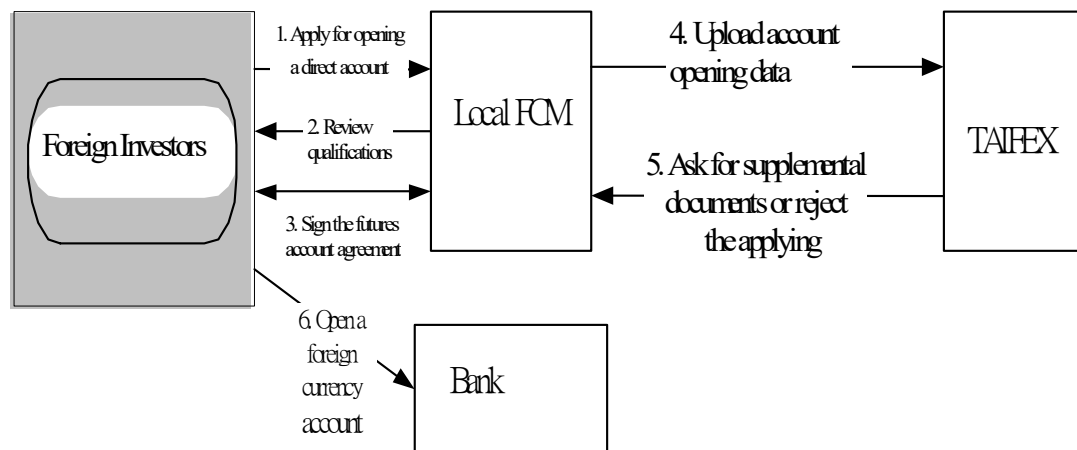
Opening a Futures Account

A futures commission merchant processing account opening for an onshore overseas Chinese or foreign national to engage in domestic futures trading shall obtain the documents listed below from the onshore overseas Chinese or foreign national before it may open an account (The article 44-5 of the TAIFEX Operating Rules):

1. Photocopy of certification of completion of identity registration;
2. Overseas Chinese and foreign natural persons: passport and overseas Chinese identity certificate (or alien resident certificate);
3. Foreign institutional investors: Ministry of Economic Affairs recognition certificate, company registration certification, business

registration certification, and national identity card (or alien resident certificate or passport) of the responsible person.

Procedure for an onshore foreign investor to open and direct account:



The FCM shall notify the TAIEX by uploading account opening data of the offshore foreign investor to Message Transport System (MTS) after completing the account-opening procedures

Position Limits

When engaging in futures trading, foreign investors, like local investor, shall not exceed the position limit standard of each contract under the TAIEX trading rules for different products.

Increase Position Limits

Foreign institutional investor may apply to TAIEX for increasing position limits for its hedging needs pursuant to the TAIEX Guideline Governing Applications by Institutional Investors to Increase Position Limits.