

responsible persons and business personnel. In 2005, the Association completed the registration of a total of 2,668 responsible persons (893 for SITE and 1,775 for SICE) and 7,648 business personnel (4,043 for SITE and 3,695 for SICE).

- III. Managed the preliminary review of SITEs' annual and monthly reports as well as financial statements of SITEs and SICEs.
- IV. Managed new fund launches and additional offerings of 12 applications.
- V. Managed the offshore fund master agent applications.
- VI. Managed a total of 19 applications for the IPO of securities investment trust funds.
- VII. Managed the review of approving qualifications of securities investment analysts.

## Overview of business activities

Develop SITE and SICE business and boost the industry competitiveness

- I. Concurrent business operation and merge
  - 1. Following regulator's instructions and referring to the concurrent business operations by SITEs and SICEs as well as securities firms conducting SITE and DIM business, the Association released the "Regulations Preventing Conflict of Interests Arising out of Concurrent Business Operations by SITEs and SICEs".
  - 2. To respond to the merger trend of SITEs and SICEs and promote the industry development, the Association released and proposed the draft for concurrent business operations and relevant guidelines.
- II. Offshore funds
  - 1. The Association researched and assisted the regulator in drafting the "Regulations Governing the Distribution of Offshore Funds", (the Regulation), which was promulgated and implemented by the FSC on August 2, 2005.
  - 2. To assist the industry in complying with relevant internal controls, the Association released the "Internal Control Review Checklist for Offshore Funds Master Agents and Distributors" and "Review Checklist for Offshore Funds Master Agents and Distribution".
  - 3. In accordance with the relevant rules and regulations under the Regulations, the Association released the Stipulated Items Included in the Information Service Agreement, Key-points for Offshore Funds Personnel Training, Sample for Investors Brochures, Master Agent (MA) Agreement and Stipulated Items in Distribution

Agreement, Regulations governing the Advertisement and Promotional Activities for Offshore Funds, Key-points for Handling Offshore Funds Business Bonds. The Association will further retain law firm to translate the above into English version for members' reference.

- 4. The Association has jointly discussed with TSCD regarding the information filing through Offshore Funds Observation Post for members' filing and announcement as well as investors' inquiries.
- 5. The Association retained law firm to complete the report entitled "Comparative Study of Offshore Funds Regulations" and strengthen the counter measures for UCITS III, and then submit to the regulator for future deregulations and amendments.
- 6. To reduce the respective costs for MA applications or filings, the Association retained law firm to issue legal opinion demonstrating that the legal protection so provided to the local investors purchasing fund domiciled in Luxemburg and Dublin shall be at least as same as or not lower than that of Taiwan. Said costs shall be jointly borne by and spread between members.
- 7. To speed up the signing and execution of MA agreement and distribution contracts, the Association retained law firm to draft two-party and tri-party model agreements for members' reference so that the signing process can be smoother and the regulatory reviewing process can be faster.
- III. Privately placed funds
  - 1. The Foreign Exchange Bureau of the Central Bank agreed the Association's proposal that the SITE members may be allowed to launch privately placed funds raised in domestic/overseas and invested in domestic/overseas in accordance with Items 1 through 5, Section 1, Article 53 of the "Regulations Governing the Management of SITE Funds."
  - 2. The regulator agreed that public offering companies investing in privately placed funds may be exempted from Article 10 of the "Handling Guidelines for Public Offering Companies Acquiring or Disposing Assets", which means that whenever the total investment amounts in privately placed funds exceed over a 2% of the authorized capitals or the amount of NT300 million, the Certified Public Accountant shall be relieved from issuing its opinions on the reasonableness of the respective transactions.
- IV. Marching toward asset management business
  - 1. To promote the pension funds business the discretionary performance evaluation system, the Association shall provide the global pension industry information through holding seminars.