

gested that the prospectus design should have selections for investors' choices and the investors should sign or seal on his or her selection with model language, which was filed with the regulator for reference.

- XII. To compliment the Number 39 Financial Report Standard, the FSC approved the proposal submitted by the Bond Funds Working Group that the fund asset pricing standard to be amended.
- XIII. The FSC agreed to adopt the Association's proposal that the "Guidelines for Handling Beneficiary Certificates Affairs" to be amended in accordance with the "Corporation Actions Guidelines for the Public Offering Stock Companies" and Q & A.
- XIV. The Association proposed to the regulator to allow that the SITEs may offer gifts while soliciting prospects to open accounts through Internet or phone.
- XV. The Association proposed to expand the required fund manager's experience by adding one item that discretionary investment management of over NT\$200 million assets. The regulator considered that it is impractical to classify the discretionary investment management business into a specific type of mutual fund and thus not realistic to compare the business with mutual fund or consider them as the "same type". Plus, the discretionary investment business agreement has not expressly stipulated the investment percentage for underlying assets and further the portfolio adjustment is constantly changing. The regulator considered that it is to review whether they are the same type or two year or above so not taking the proposal momentarily.
- XVI. To seek further business growth, the regulator accepted Association's proposal to relax the requirements of Items 7, 9, 10, and 14, Section 1, Article 12 of the "Regulations Governing the Management of SICES".
- XVII. To simplify the SICES review process and implement the self-regulatory functions, the regulator agreed to amend the "Operation Procedures for SICES Conducting Securities Investment Analysis Activities".
- XVIII. The Association lobbied the regulator that its administrative enforcement actions against the securities investment analysts should follow a certain grace period so that the SICES might be able to comply properly and timely.
- XIX. The Association studied the current test and content for securities investment analyst and reviewed whether it is necessary to make any changes thereof.

- XX. The Association tried to assist its SICE members in finding out the current issues and difficulties. In particular, the Association will conduct a full review of the unauthorized SICE members and their illegal business activities so that the regulator and law enforcement agencies shall take the Association's proposal for reference.

## Upgrade the quality of SITE and SICE personnel

To develop the financial market, upgrade the quality of SITE and SICE professionals, and manage the educations and personnel registration, the Association made the following efforts:

- I. Manage the qualification review and license exams for SITEs and SICEs  
In 2005, the Association reviewed a total of 6 securities investment analysts. A total of 181 persons passed the securities investment analysts exam, and 4,131 persons passed SITE and SICE professionals.
- II. In response to the promulgated "Regulations regarding the Management of Responsible Persons and Business Professionals of SITEs", "Regulations regarding the Management of Responsible Persons and Business Professionals of SICES", on October 19, the Association amended the "Operation Guidelines for Registering SITE Professionals" and "Operation Guidelines for Registering SICE Professionals" and changed their name to "Operation Guidelines for filing SITE Professionals" and "Operation Guidelines for filing SICE Professionals".
- III. Investment Management Institute (IMI) of the Association holds educational trainings
  - 1. In 2005, the IMI held a total of 209 training sessions with 8,704 attendees (25 pre-job training sessions with 1,091 attendees and 184 on-job training sessions with 7,613 attendees).
  - 2. A total of 6,874 persons applied for the learning passport from January 1, 2005 to December 31, 2005
- IV. The Association cooperated with foreign firms or institutions such as Decons Law Firm, Merrill Lynch, Ernst & Young, HSBC Securities Services, Lipper, Vanguard, Fidelity and FTSE, and with domestic institutions such as Taiwan Securities Association, Taipei Financial Research & Development, and Taiwan Economic and Industrial Association, in holding seminars and conferences.
- V. Jointly held or co-sponsored various industry upgrading and business promotion activities for the mutual fund industry: