Content

Title：	Regulations for the Management Ch
Date：	2005.01.24
Legislative：	1. Established and promulgated per Order of the Ministry of Finance issued on October 6, 1973. 2. Articles 10 and 11 amended and promulgated per Order of the Ministry of Finance issued on August 16, 1984. 3. Article 11 amended and promulgated per Order of the Ministry of Finance issued on February 29, 1988. 4. Article 11 amended and promulgated per Order of the Ministry of Finance issued on June 27, 1991. 5. Articles 22 and 32 amended and promulgated, and Articles 32-1 to 32-3 added per the Order No. Tai-Tsai-Ku-851878866 of the Ministry of Finance issued on May 30, 1996. 6. Full text of forty articles amended and promulgated per the Order No. Tai-Tsai-Ku-0900350438 of the Ministry of Finance issued on May 2, 2001; and enacted on the day of promulgation. 7. Articles 2, 30, 31, and 33 amended and promulgated, and Article 26-1 added per the Order No. Tai-Tsai-Ku-09403500820 of the Ministry of Finance issued on January 24, 2005.
Content：	Chapter I General Principles Article 1 These Regulations are established in accordance with the stipulation under Articles 10 and 11 of the Treasury Bills and Short-Term Loans Act. Article 2 Matters including the issuance, custody, registration, loss report and stop-payment, buyback, cancellation, receipt and disbursement of funds, payment of principal and interest, and approval and payment of handling charges in connection with Treasury bills shall be handled as provided in these Regulations unless otherwise provided in the Treasury Bills and Short-Term Loans Act. Article 3 The Central Bank of the Republic of China (Taiwan) ("the Central Bank") may delegate the management of Treasury bills to another financial institution or institutions. Article 4 The accounting procedures in connection with the management of Treasury bills shall be handled based on reference to the Accounting System for Central Government Bonds. Article 5 Treasury bills are issued by means of public auction. The amount, maturity term, and the minimum acceptable rate for each issue are to be prescribed by the Ministry of Finance in consultation with the Central Bank.

Article 6
At times when the Treasury is well funded, the Ministry of Finance may contact the Central Bank to buy back, by bidding or other means, issued and unmatured Treasury bills.

Article 7
Before issuance or buyback of Treasury bills, a public announcement shall be published, with content including each of the following:
1. Total amount, form, series, and repayment deadline of the Treasury bills to be auctioned or bought back.
2. Bidder qualifications, maximum and minimum bid amounts, and bidding unit.
3. Method, place, and starting and ending times for bidding, and place and time for opening of the bids.
4. Method for successful bidders to pay or collect payment.
5. Other matters required to be publicly announced.

Article 8
Matters including the procedures for auction and buyback of Treasury bills and bidder qualifications shall be prescribed by the Central Bank in consultation with the Ministry of Finance.

Article 9
The Central Bank and the Ministry of Finance shall jointly open the bids on the date of bid opening.

The Central Bank shall publish the results of the opening of bids and notify the successful bidders.

Successful bidders shall pay for the purchase of the Treasury bills on the issue date.

Article 10
Revenue from the issuance of Treasury bills shall be paid to the National Treasury Deposit Account on the day of issuance under the account title "Revenue from Issuance of Treasury Bills."

Article 11
When Treasury bills are issued in certificate form, the physical certificates will be delivered to the purchaser, to be presented for the receipt of principal and interest at maturity. When they are issued in book-entry form, no physical certificates will be delivered, and the Central Bank or the clearing bank shall enter all data in connection with purchased treasury bills into a machine-processed accounting data storage medium, and issue treasury bill passbooks to the purchasers. Upon maturity, the principal and interest will be directly transferred to the deposit accounts of the treasury bill owners.

Article 12

The principal and interest payable for Treasury bills at the maturity of each series will be transferred by the Ministry of Finance to the Central Bank for payment.

Article 13
The administrative fee for issuance of Treasury bills will be calculated and paid based on the actual amount of Treasury bills sold by auction. The handling charge for the payment of principal and interest will be calculated based on the actual amount of principal and interest paid and will be transferred to the Central Bank for payment.

Article 14
Upon expiration of the deadline for payment of principal and interest for each series of Treasury bills, the Central Bank shall report to the Ministry of Finance by letter the status of redemption along with necessary statements and reports.

Chapter II Treasury Bills in Physical Certificate Form

Article 15
After the certificates have been printed, the Ministry of Finance and the printers shall jointly deliver the certificates to the Central Bank for verification and custody. The Central Bank shall issue a Receipt for Custody of National Treasury Articles specifying information including the number of certificates and face value of the Treasury bills actually received.

Article 16
After the Ministry of Finance determines the quantity of an issue, it shall issue a Notice for Appropriation of Treasury Bills by letter to the Central Bank to notify it to prepare the bills for sale.

Article 17
When a purchaser purchases registered Treasury bills, the purchaser shall immediately submit a seal specimen card in duplicate, and the selling institution shall record the purchaser's name and register the bills.

Article 18
To transfer registered Treasury bills, the holder shall prepare a Closing Application and the seal specimen card in duplicate and submit them along with the Treasury bills to the original selling institution to perform the closing procedures.

Article 19
Once Treasury bills have been sold, the holder may not request to register the bills or cancel their registration.

Article 20
Upon maturity of a treasury bill, the holder may present the certificate to redeem the bill. Interest will cease to accrue on an unredeemed bill after

maturity.

The holder of a registered Treasury bill shall present the seal on file to the original selling institution to redeem the bill.

Article 21
When the holder of a Treasury bill redeems the principal and interest at maturity, the paying institution shall compare it to the sample certificate and anti-counterfeiting marks to verify authenticity, and check that no loss report or stop-payment has been made, whereupon it shall make payment as due. In case of doubt, a receipt for the bills shall be issued and the bills received shall be submitted to the Ministry of Finance for review.

Article 22
To file an application for a stop-payment on the ground of loss of a registered Treasury bill, the owner of the Treasury bill shall publish a cancellation notice in a local daily newspaper and fill out a Treasury Bill Loss Report and Stop-Payment Application and affix the original seal on file and submit the Application to the original selling institution to carry out the loss report and stop-payment procedures. If both the seal and the Treasury bill are lost, the owner—if a government agency—shall issue an official letter from the agency certifying the loss or—if a private person—shall first present legal proof of identity to apply for a change of seal, and then carry out the procedures for loss report and stop-payment using the replacement seal. However, such applications will be accepted only for treasury bills that have not yet been redeemed.

The owner of a lost Treasury bill referred to in the preceding paragraph shall, after completing all statutory procedures, fill out a Ministry of Finance Treasury Bill Reissuance Application and submit it to the original selling institution, which shall forward it through proper channels to the Ministry of Finance for reissuance of the Treasury bill.

Article 23
When the owner of a registered Treasury bill requests replacement of the seal due to loss of the seal, the owner shall present the Treasury bill together with the new seal and proof of identity to the original selling institution to process the replacement of the seal.

Article 24
Where a bearer Treasury bill is lost, stolen, or destroyed, the holder of the bill may inform the National Treasury Administration of the Ministry of Finance, the Treasury Department of the Central Bank, or a financial institution appointed by the Central Bank to process loss reporting and stop-payment by submitting a written notice specifying the Treasury bill's name, series, face value, serial number, and the number of certificates, together with a police report document. In addition, the holder shall, within 5 days after the stop-payment notice, present proof to the authority or financial institution processing the loss report and stop-payment that the holder has filed a petition with a court for public summons procedure.

If the holder fails to do so within the foregoing time limit, the stop-payment notice will become invalid. If the bill has been redeemed before the stop-payment notice takes effect, the stop-payment notice will not take effect.

Article 25
When the National Treasury Administration of the Ministry of Finance, the Treasury Department of the Central Bank, or a financial institution appointed by the Central Bank accepts a notice of loss, theft, or destruction of a bearer Treasury bill, it shall issue a stop-payment notice to inform all payment entities to process the stop-payment, and the stop-payment notice shall be effective and binding on each payment body from the time they receive the notice.

Upon receiving the notice referred to in the preceding paragraph, the Treasury Department of the Central Bank shall inform all relevant entities. When any payment entity or other relevant entity finds that Treasury bill, it shall inform the police authorities to take appropriate action, unless the stop-payment notice has become invalid.

The notice procedure referred to in the preceding two paragraphs shall be completed within 2 business days from the day the loss report and stop-payment request filed by the holder is accepted for processing.

Article 26
After a Treasury bill is declared invalid through public summons procedures, the applicant may submit a Treasury Bill Reissuance Application, together with the original of the court’s judgment of abridgement of rights, to the entity that originally handled the loss report and stop-payment, which shall forward these documents through proper channels to the Ministry of Finance for reissuance of the Treasury bill.

Article 26-1
To apply for registration of trust of a registered Treasury bill, the owner of the treasury bill, or other person so entitled, and the trustee shall fill out an application and affix their seals thereto, and submit the Treasury bill, relevant supporting documents, and seal specimen card to the original selling institution.

After reviewing the application referred to in the preceding paragraph, the original selling institution shall specify on the Treasury bills that they are property in trust accompanied by the date and print out a List of Registered Treasury Bills in Trust for record.

The provisions of the preceding two paragraphs shall also apply to any change or extinguishment of the trust relationship.

Article 27
The financial institution appointed by the Central Bank shall affix on the certificate of each redeemed Treasury bill a "date voided" stamp and hole-

punch the certificate. In addition, the certificates shall be organized by series and face value and kept in custody. At the end of every 6 months, it shall collect the Treasury bills that are to be canceled and bundle them into packets each affixed with its seal and prepare a cancellation list organized by series. After its internal auditors has verified the accuracy thereof, the institution shall forward the cancellation list by letter to the Central Bank, with a copy to the Ministry of Finance.

Article 28
After receiving the cancellation list from each appointed financial institution and verifying its accuracy, the Central Bank shall prepare a consolidated cancellation list and forward it to the Ministry of Finance for auditing and settlement of the cancellation. In addition, sampling inspections shall be performed jointly by personnel assigned by the Ministry of Finance and Central Bank personnel at each appointed financial institution on a routine or non-routine basis.

After the auditing and settlement is performed by the Ministry of Finance, each appointed financial institution shall annotate the sealed Treasury bills in custody with a cancellation reference number, and have the bills destroyed upon expiration of the custody period.

The procedure for cancellation and for auditing and settlement of cancellation of Treasury bills redeemed by the Central Bank shall be the same as for Treasury bills redeemed by financial institutions appointed by it.

Article 29
Treasury bills whose cancellation has been audited and settled under the preceding paragraph shall be destroyed jointly by the Ministry of Finance and the Ministry of Audit on a routine basis. The certificates of destruction shall be kept on file by both the Ministry of Finance and the Ministry of Audit.

Chapter III Book-Entry Treasury bills

Article 30
When Treasury bills are issued in book-entry form, the Central Bank, in consultation with the Ministry of Finance, shall handle the operations in connection with the printing, reissuance, and cancellation of passbooks, the processing and custody of registration data, and the payment of principal and interest.

Article 31
The Central Bank may engage another bank or banks or Chunghwa Post Co., Ltd. as the clearing institution (hereinafter, the "clearing bank") to handle the registration of book-entry Treasury bills and fund settlement operations.

Article 32

All book-entry Treasury bills shall be registered, and a purchaser of such bills shall open a Treasury bill account and a deposit account with the clearing bank.

Article 33
The Central Bank, in consultation with the Ministry of Finance, shall handle the registration operations for matters in connection with book-entry Treasury bills including transfer, succession, gift, trust, payment preparation, court lodgment, creation of pledge, or posting as a guarantee in official dealings.

Article 34
Upon receipt of the principal and interest payable at maturity for book-entry Treasury bills, the Central Bank shall divide and appropriate the funds to each clearing bank.

Upon receiving the principal and interest appropriated by the Central Bank, the clearing bank shall open, under the account title "Demand Deposit," a special account for provision for payment of the principal and interest and shall appropriate the funds to the deposit accounts of the owners of the Treasury bills on the maturity date.

Article 35
The clearing bank shall make the payment of the principal and interest for the book-entry Treasury bills from the Demand Deposit special account and shall register and prepare a statement in compliance with the Accounting System for Central Government Bonds.

Article 36
The Central Bank shall, every January and July, prepare, a List for Consolidated Settlement for Payment of Principal and Interest for Book-Entry Treasury Bills and forward it to the Ministry of Finance for auditing and finalization. In addition, sampling inspections shall be performed jointly by personnel assigned by the Ministry of Finance and Central Bank personnel at each clearing bank on a routine or non-routine basis.

Article 37
The media on which the clearing bank stores machine-processed accounting data in connection with the payment of principal and interest for book-entry Treasury bills shall be backed up and preserved and shall be sealed up and kept in custody with a settlement reference number after auditing and final settlement are performed by the Ministry of Finance. Upon expiration of the custody period, the backup may be destroyed after it has been transferred by the Ministry of Finance to the Ministry of Audit for consent.

Article 38
When the holder of a book-entry Treasury bill requests a replacement of the seal due to loss of the seal, the holder shall present the Treasury bill passbook together with the new seal and proof of identity to the original

selling institution to process the replacement of the seal.

Chapter IV Supplementary Provisions

Article 39
The relevant books, statement, and evidence under these Regulations shall be prepared in compliance with the Accounting System for Central Government Bonds, and other formats shall be separately prescribed

Article 40
These Regulations shall take force from the date of issuance.

Data Source：Ministry of Finance, R.O.C. Laws and Regulations Retrieving System