Content

Title：	Act for the Establishment and Administration of the National Financial Stabilization Fund Ch
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Content：

Article 1

The National Financial Stabilization Fund (the "Fund") is specially established and this Statute is adopted for purposes of responding to
significant occurrences at home or abroad so as to preserve stability in capital markets and other financial markets and guarantee national stability.

Article 2

The Fund shall be established, administered, and utilized in compliance with the provisions of this Statute. Where this Statute is silent,
the provisions of other applicable laws and regulations shall apply.

Article 3

The Executive Yuan shall be the competent authority for the Fund.

Article 4

The total amount of the Fund's utilizable funds shall be NT$500 billion, which shall come from the following sources:

1. Borrowings from financial institutions, collateralized by stock held by the National Treasury in public and private enterprises; the ceiling
on such borrowings shall be NT$200 billion;

2. Borrowings from the Postal Deposit system, Postal Life Insurance Fund, Labor Insurance Fund, Labor Pension Fund, and Civil Servant Pension
Fund of funds that are available for investment in securities but have not yet been invested; the ceiling on such borrowings shall be NT$300 billion.

3. Other funding sources approved by the competent authority.

The types and quantities of stocks that may be furnished as collateral as provided in subparagraph 1 of the preceding article shall be proposed
by the Ministry of Finance for approval by the competent authorities. The collateralization of such stocks shall not be subject to the restrictions in Article 7, paragraph 1, and Article 28 of the National Property Law.

Borrowings made by the fund pursuant to paragraph 1 shall not be subject to the restrictions in the Public Debts Law.

Article 5

A National Stabilization Fund Management Committee (the "Committee") shall be established to handle the following matters in connection with
the Fund:

1. Deliberation of Fund utilization matters;

2. Determination of Fund operational strategy and plans;

3. Deliberation of procurement and deployment matters for Fund funds;

4. Deliberation of Fund financial reports and profit and loss appropriation and reimbursement;

5. Determination of other matters relating to Fund utilization and administration or matters as publicly announced.

The Committee shall have 11 to 13 members, including 1 chairman, in which post the vice president of the Executive Yuan shall concurrently serve.
Also concurrently serving as Committee members shall be the Governor of the Central Bank of China, Minister of Finance, Minister of Transportation and Communications, Director General of Budget, Accounting & Statistics, Chairman of the Council of Labor Affairs,
and Minister of Personnel. The remaining members shall be selected by the Competent Authority from scholars and experts recommended by the party caucuses of the Legislative Yuan.

The number of the selected Committee members in the preceding paragraph shall be not less than one-third of the total number of Committee members.
Selected members shall be appointed for a two-year term, and may be reappointed upon expiry of the term. If a member is replaced for some reason before his term has expired, the term of the replacement shall subsist only until the date of expiry of the term
of the original member that he replaced.

Article 6

Meetings of the Committee shall be convened and moderated by the chairman. If the chairman is unable for some reason to perform his duties,
he shall appoint one of the Committee members to do so as his proxy.

Article 7

The Committee shall have one executive secretary. The chairman shall appoint a personnel member concurrently to this post, to handle Committee
affairs in accordance with the chairman's instructions. Other necessary staff positions shall be concurrently filled by current employees of the Executive Yuan and agencies within its purview. One to five such staff may be appointed depending on operational
needs.

Article 8

In the event of significant occurrences at home or abroad or large-scale movements of international capital having a substantial affect on
public confidence and raising concerns about loss of order in capital markets or other financial markets or impairment of national stability, utilizable funds in paragraph 1 of Article 4 may, by resolution of the Committee, be deployed to undertake the following:

1. Trade in securities on the stock exchange market or over-the-counter market;

2. Trade in futures on the futures market;

3. Other matters approved by the competent authority.

A qualified institution may be engaged to administer operational planning in connection with fund deployment referred to in the preceding paragraph.
Matters related to such engagement shall be prescribed by the Committee.

Article 9

All profits and losses on funds borrowed by the Committee in the name of the Fund from the various funds specified in Article 4, paragraph
1, subparagraph 2 shall be attributed to the Fund. However, the various funds shall be given reasonable compensation and proceeds.

Compensation under the preceding paragraph shall be limited to compensation for losses incurred as of the time of borrowing. Proceeds shall be
calculated at a rate equal to the Bank of Taiwan's two-year time deposit interest rate plus 0.625 percentage points.

Article 10

Except when deployed pursuant to paragraph 1 of Article 8, funds in the Fund shall be kept in the following manners:

1. Cash;

2. Deposit in financial institutions with good credit;

3. Purchase of government bonds, financial bonds, and short-term notes issued by financial institutions;

4. Other means prescribed by the competent authority.

Article 11

After the Fund has accomplished the mission of stabilizing financial markets, the objects of the operations in paragraph 1 of Article 8 shall
be disposed of in a timely manner.

Article 12

If, when disposing of fund assets, the funds withdrawn are greater than the cost of the investment, a portion shall be set aside as special
reserve against losses on Fund investments. If the funds withdrawn are less than the cost of the investment, such special reserve against investment losses shall first be offset against the difference; any remaining difference due to insufficiency of the reserve
may be listed as loss.

The "cost of investment" in the preceding paragraph shall include compensation and proceeds paid to the various funds pursuant to paragraph 1

of Article 9.

Article 13

The Fund shall not be restricted by relevant provisions of the Budget Law. However, final accounting shall be carried out after the close
of the fiscal year in accordance with the Fiscal Reporting Law.

Income, expenditures, and utilization of the Fund shall be publicly announced on a quarterly basis.

Any profit of the Fund after annual closing of the books shall, in appropriate measure, be retained or delivered into the National Treasury.
Any losses, including realized or unrealized losses, shall be covered by the competent authority when compiling the budget for the following fiscal year. Losses covered by the National Treasury shall subject to the restrictions in Article 4 of the Public Debts
Law.

The proportion or amount of the "appropriate measure" of retained profits in the preceding paragraph shall be determined by the Committee.

Article 14

An accounting system shall be prescribed for the handling of Fund accounting matters.

Article 15

When the Fund is closed, its assets and liabilities shall be assumed in full by the National Treasury.

The restrictions in Article 4 of the Public Debts Law shall not apply to the assumption of Fund assets by the National Treasury pursuant to the
preceding paragraph.

Article 16

The persons enumerated in the subparagraphs hereinbelow shall preserve the confidentiality of Committee resolutions and operational plans,
and may not engage in acts of purchase or sale in the markets specified in Article 8.

1. The Management Committee members in paragraph 2 of Article 5.

2. The executive secretary and staff in Article 7.

3. Employees of a qualified institution engaged by the Committee as provided in Article 8.

4. Persons who obtain information from any of the persons enumerated in the preceding three subparagraphs.

Violations of the provisions of the preceding paragraph shall be punished by imprisonment for a period not exceeding seven years, and, in addition
thereto, a fine not exceeding NT$10 million.

Article 17

This Statute shall be in force from the date of its promulgation.