

The Securities Investment Trust and Consulting Association of the R.O.C.'s template for Anti-Money Laundering and Countering Terrorism Financing Guidelines for securities investment trust and consulting business

- I. These Guidelines are stipulated in accordance with Article 6 of Anti-Money Laundering Act, Article 22-1 of Regulations Governing Securities Investment Trust Enterprises, Article 6 of Regulations Governing Offshore Funds, Article 22-1 of Regulations Governing the Conduct of Discretionary Investment Business by Securities Investment Trust Enterprises and Securities Investment Consulting Enterprises, and Directions Governing Anti-Money Laundering and Countering Terrorism Financing of Securities and Futures Sector for the purpose of preventing money laundering.
- II. Guidelines for anti-money laundering and counter-terrorism financing process:
 1. Guidelines for customers subscribing securities investment trust funds or offshore funds (collectively the "funds") or making discretionary investment:
 - A. The employees of the Company should obtain the following documents for verification from the customer who is subscribing any fund or applying for discretionary investment for the first time:
 - a. If the customer is a natural person who is a R.O.C. national, he should provide his national identity card. In case the customer is under the age of 14 and has not applied for a national identity card, the household registry book, a transcript of the household registry book, or an electric household registry book should be provided as the substitute. If the customer is a foreigner, he should provide his passport. If such foreign customer is recognized as a well-known politician, the Company should take appropriate measures and make periodic reviews. In case such foreign customer is suspected of having committed money laundering, the Company should keep his transaction records and certificates, and report to the Investigation Bureau, Ministry of Justice. If a customer is a minor, a person under interdiction (applicable prior to November 23, 2009), or a person under assistance, the national identity card, passport, or other supporting documents that may prove the identity of his guardian or assistant should be provided.
 - b. If the customer is a legal person or an institution, the person who is authorized by such entity should provide the power of attorney issued by the customer, his identity document, the identity document of the representative of the customer, the customer's registration certificate, archive or relevant supporting documents. Proof of tax returns should not be the only evidence presented for the purpose of account-opening.
 - c. The Company should keep a set of photocopies of the documents listed in the preceding two sub-paragraphs for record, provided that the customer's power of attorney should be the

original document.

d. The Company should not keep anonymous accounts or accounts in fictitious names for account-opening, fund subscription, or discretionary investment business application.

B. The employees of this Company should require, from the customer who is remitting cash over the counter for the subject matter stipulated in Paragraph A, his dual identity documents for verification purpose, keep a set of photocopies of the documents listed below for record, provided that the customer's power of attorney shall be the original document:

a. If the customer is a natural person who is a R.O.C. national, he shall provide his national identity card and other proof of identity such as a health insurance card, passport, driver's license, student identity card, household registry book, a transcript of the household registry book, or an electric household registry book. In case the customer is under the age of 14 and has not applied for a national identity card, the household registry book, a transcript of the household registry book or an electric household registry book, etc. shall be the substitute. If the customer is a foreigner, he shall provide his passport and a residence permit or other proof of identity. If a customer is a minor, a person who is under interdiction (applicable prior to November 23, 2009), or a person under assistance, the national identity card or passport, and other proof of identity of his guardian or assistant shall be provided.

b. If the customer is a legal person or an institution, the person who is authorized by such entity shall provide the power of attorney issued by the customer, his identity document, the identity document of the representative of the customer, the customer's registration certificate, archive or relevant supporting documents and the meeting minutes of the Board of Director of the customer, Articles of Association of the customer, or financial statements, etc. Proof of tax returns shall not be the only evidence presented for the purpose of account-opening.

c. The secondary proof of identity other than the aforementioned national identity card, passport, and document of registration certificate shall be identifiable. If the log of an institution, school, or group is identifiable may be applicable for the verification purpose. If a customer refuses to provide the aforementioned documents, his application shall be declined or shall not be processed only until his identity has been identified.

C. When verifying the proof of identities of a customer and the person who is authorized by such, the employees of the Company shall be aware of suspicious use of fake name, assumed identity, forged business entity or forged legal person group for subscription or application; the presentation of forged or modified identity documents; the submission of suspicious and ambiguous document, and the unwillingness of provision of other supporting documents, the unidentifiable documents provided for verification; the unusual delay of the customer in providing necessary supporting proof of identity; or, the unusual situation upon the acceptance of subscription or order where the customer cannot provide reasonable explanations. When there is any of the circumstance listed above, the subscription or application should be declined.

D. For the funds subscriptions or applications through mandate and authorization, the employees of the Company shall verify the mandate or authorization document that is required by regulations, the proofs of identities of the customer and its representative respectively; investigate the fact regarding the mandate and authorization, and verify the authentication of the identity information. The identity information of the customer and its representative shall be filed for record. The employee in charge should confirm the aforementioned information with the customer by phone, in writing, onsite investigation, or through other means when necessary. If the information verification is deemed difficult, such subscriptions or applications shall be

declined. In addition, for subscription or consignment applications, if a customer is found in doubt after opening the account in the manner of mandate or authorization, the Company shall re-confirm his identify by phone, written statement, on-site investigation or other appropriate methods.

E. For discretionary investment, the Company shall fully verify the customer's financial status in accordance with the data provided in customer's profile, and require the customer to provide supporting documents or to perform investigation on site if necessary. If the discretionary investment is obviously incommensurate with the customer's status or income, or, if the source of fund cannot be identified, special attentions shall be paid to the suspicious activities of money laundering.

F. If the consideration of one single fund subscription is NT\$500,000 or above (or an equivalent amount in foreign currency) and is paid by cash, or there is a suspicion of money laundering, the Company shall verify the identity of the customer and require him to provide the documents listed in sub-paragraph (a); moreover, the information of his name, date of birth, address, telephone number, transaction account number, trade amount, and serial number of the proof of identity shall be documented. If the customer can be verified as the principle of his or her own trading account, the Company needs not verify his or her identification; however, the transaction record shall be documented as trading for the principle. For the subscription undertook by the customer's representative, the representative's name, date of birth, address, telephone number, transaction account number, trading amount and serial number of the proof of identity shall be documented with the confirmation records as well as the certificates stating the transaction record.

G. If there is an unusual large subscription amount that is obviously incommensurate with the customer's status or income, special attentions shall be paid to activities suspected of being money laundering.

H. If the customers or the ultimate beneficiaries of the subscriptions or the consignment contracts are among the terrorists or groups identified by foreign governments and such information is provided by the Financial Supervisory Commission's (referred to as "FSC" hereinafter) official letter, or are the terrorist organizations identified or investigated by international anti-money laundering organizations; or the trading amount is suspicious or reasonably doubted that it has connection with terroristic activities, terrorist organizations, or terrorism financing, these shall be classified as suspected money laundering transactions and immediately reported to the Investigation Bureau, Ministry of Justice.

I. If a subscription or application contract is in connection with the country or area that has serious deficiencies in anti-money laundering and countering terrorism financing that has been identified by international anti-money laundering organizations and such information is provided by FSC's official letter, or in connection with the country or area that is not in compliance or short of compliance with recommendations made by the above organizations; and such contract is obviously incommensurate with the customer's status or income, it shall be classified as suspected money laundering transaction and immediately reported to the Investigation Bureau, Ministry of Justice.

J. If the customer is in connection with special serious incidents reported on television, newspaper, magazine or internet, special attentions shall be paid to activities suspected of being money laundering.

K. Other internal operation regulations for fund subscriptions and processing discretionary

investment applications shall be abided by when processing fund subscription and discretionary investment application. However, if the Company suspects that the transaction at issue is involved in money laundering activity; such transaction shall be immediately reported to the Investigation Bureau, Ministry of Justice regardless of the transaction amount.

2. Guidelines for fund transaction after subscription:

A. If the consideration of one single fund subscription is NT\$500,000 or above (or an equivalent amount in foreign currency) and is paid by cash over the counter, the Company shall re-verify the customer's identity and keep the records of verification and transaction. (Section 2-(1)-(f) shall be applied to the aforementioned verification process.)

B. If a customer is in any of the following circumstances, and is suspected of money laundering, special attention shall be paid to it. The company shall verify the customer's identity, comprehend its transactions, keep the transaction records and certificates, and report to the Investigation Bureau, Ministry of Justice. (Section 2-(1)-(f) shall be applied to the aforementioned verification process.)

a. The customer subscribes or redeems a certain fund in the same business day in an aggregate amount of NT\$500,000 or above (or an equivalent amount in foreign currency), and such transaction is obviously incommensurate with the customer's status or income.

b. The customer subscribes to or redeems a single fund or different funds in the same institution in an aggregate amount of NT\$500,000 or above (or an equivalent amount in foreign currency), and such transaction are obviously incommensurate with customer's status or income.

c. The considerations of each subscription or redemption are nearly equivalent and their time span is short.

d. The application payment for subscribing funds is remitted from the country or area that has serious deficiencies in anti-money laundering and countering terrorism financing that has been identified by international money laundering organizations and such information is provided by FSC's official letter, or in connection with the country or area that is not in compliance or short of compliance with recommendations made by the above organizations; and such transaction is obviously incommensurate with the customer's status or income. The Company shall quarterly download and update the list of uncooperative countries from the website of "Financial Action Task Force on Money Laundering (FATF)" (www.fatf-gafi.org) If the Directives are further amended due to the updates to the list of uncooperative countries or terrorist groups, it is not required to report to FSC.

e. The customer often makes transactions on behalf of his client or has different third parties subscribe or redeem on behalf of him.

f. Other obviously irregular transactions.

C. The Company shall be aware of and examine customers' transaction reports periodically and establish a transaction model for each customer as references to investigate irregular transactions or suspected money laundering. When having suspect toward the truthfulness or appropriateness of the customers' identity information acquired, the Company shall re-verify the customers' identities.

D. Constant surveillance on accounts and transactions:

- a. The Company shall undertake constant surveillance on customers' business relationship and audit its transactions in detail to ensure such transactions are commensurate with the consumer, their business and risks. The Company shall investigate the source of the customers' fund if necessary.
- b. The Company shall review the sufficiency of the information regarding the identities of customers and the actual beneficiaries, and ensure the updates of such.
- c. For the process of identification and verification of a customer's identity, the Company may refer to its past enforcement and kept information and need not to identify and verify his identity every time when he makes transactions, provided that the Company shall re-verify such when the it suspects the truthiness of a customer's information, such as the Company suspects the customer is involved in money-laundering, terrorism financing transaction, or there is a material change on the operation pattern of a customer's account and is obviously incommensurate with the customer's business character.
- d. The Company shall undertake, when appropriate, customer due diligence on existing customers according to materiality and risk level after contemplating the time and sufficiency of information acquired during last customer due diligence.

3. Guidelines for discretionary investment after the execution of such agreement:

- A. The Company shall re-verify the customer's identity and keep his application forms and profiles. (Section 2-(1)-(e) shall be applied to the aforementioned verification process.)
- B. If the customer, after execution of the discretionary investment agreement, is in any of the following circumstances, the Company shall notify the custodian of the discretionary assets to recognize any suspicious sign of money laundering. The Company shall re-verify the customer's identity, comprehend its past transactions, keep the transaction records and certificates, and report to the Investigation Bureau, Ministry of Justice when there is a suspicion of money laundering.
 - a. The said customer is not identified.
 - b. The customer denies there is any discretionary investment agreement signed.
 - c. The mailed report or other documents are returned by postal office due to "the identity of receiver is unknown."
 - d. The customer's account is believed to be abused by others with the support of sufficient evidence or fact.
 - e. The content of the application form is forged or false.
 - f. The customer terminates the discretionary investment agreement immediately after signing it with no justifiable reason.
 - g. The customer increases investment in large amount or intensifies its investment frequency during the term of the discretionary agreement while the amount is obviously incommensurate with the customer's status or income.
 - h. The customer demands to decrease the investment amount without justifiable reason during

the term of the discretionary investment agreement.

i The customer frequently increases or decreases the investment fund in an unusual manner.

C. The Company shall keep a close and frequent contact with customers during the term of the discretionary investment agreement period; also, be aware of customer's financial status and undertake an interview at least once in a year to update or supplement customer's profile for reference when investigating suspected money-laundering. In case the Company suspects the truthfulness and adequacy of a customer's proof of identity it acquired before, it shall re-verify it.

D. Constant surveillance on accounts and transactions:

a. The Company shall undertake constant surveillance on customers' business relationship and audit its transactions in detail to ensure such transactions are commensurate with the consumer, their business and risk. The Company shall investigate the source of the customers' fund if necessary.

b. The Company shall review the sufficiency of the information regarding the identities of customers and the actual beneficiaries, and ensure the updates of such.

c. For the purpose of identification and verification of a customer's identity, the Company may refer to its past enforcement and kept information and need not to identify and verify his identity every time when he increases or decreases the asset, provided that the Company shall re-verify such when it suspects the truthfulness of a customer's information, such as the Company suspects the customer is involved in money-laundering, terrorism financing transaction, or there is a material change on the operation pattern of a customer's account and is obviously incommensurate with the customer's business character.

d. The Company shall undertake, when appropriate, customer due diligence on existing customers according to materiality and risk level after contemplating the time and sufficiency of information acquired during last customer due diligence.

III. Internal control procedure of anti-money laundering and countering terrorism financing:

1. The Company should keep complete and correct transaction records and certificates of subscription, redemption, or conversion if the fund transactions are over a certain amount or are suspected of being money laundering activities. For discretionary investment, the Company should keep the complete transaction certificates, customer's proof of identity and filing record sufficient for ascertainment purpose. The Company should comply with the "Anti-Money Laundering Act" and its related regulations. In addition, if a transaction is considered to be suspected money-laundering transaction, the Company should report it to the Investigation Bureau, Ministry of Justice, even if the transaction is not completed.

2. The method and period for keeping transaction records:

A. For the discretionary investment or one single cash transaction in amount of NT\$500,000 or above (or an equivalent amount in foreign currency), the Company should keep the transaction certificates, verification records, and the filing report that are sufficient to understand the transaction in detail for at least five years.

B. For transactions that are suspected to be money-laundering activities or terrorism financing, the Company should keep the transaction certificates, verification records, and the filing report that are sufficient to understand the transaction in detail for at least five years.

C. For the customer who has redeemed his entire funds or terminated discretionary business agreement, the Company should keep the customer's related information, such as the photocopy of the proof of identity, account information, and communication information, etc., for at least five years.

D. For the cases under investigation in accordance with applicable law, all the expired confirmation and transaction records should be kept until the case has closed.

E. Special attention should be paid to the transaction without obvious economic purpose, legitimate complicate transaction for complex, large amount, and unusual transaction. The Company should investigate the background and purpose of the above-mentioned transaction and establish documentary archive. The Company should keep aforementioned document for at least five years.

F. The Company should keep all the necessary transaction records for at least five years.

G. The information listed below should be kept for a period of at least five years after the termination with the customer's business relationship or a temporary transaction:

a. All records required for verification of identity purpose, such as the photocopies of the health insurance card, passport, national identity card, driver's license, student identity, or similar official proof of identities or records.

b. Account profiles.

c. Material information, including the information regarding the inquiries about the background or purpose of complex and unusual transactions, and the analysis information of such.

3. The confirmation of customer's identity should be processed subject to the followings:

A. The customer audit mechanism should include a reasonable mechanism including understanding whether the customer is representing others or is the actual beneficiary, inquiring the nature of the business and the purpose of the transaction, and reviewing of existing customers.

B. At the time of establishing a business relationship with customers or when there is insufficient information for the confirmation of customer's identity, documents or other identification papers issued by the government should be used to confirm the customer's identity and further document information thereof.

C. The identity of customers should be firmly confirmed for the order account, proxy transaction, and individual or group that represents a high risk to the goodwill of securities investment trust and consulting business.

D. For the identity of customers that are not conducting business with the Company face-to-face, a comparable effective customer confirmation procedure is to be implemented to reduce risk.

E. Provided that it is not in violation of the relevant regulations, if customer's source of fund is known for fact or is assumed to be from corruption or embezzlement, the subscription or application will not be processed.

4. When a customer is a legal person or a trustee of a trust, the following information should be identified to confirm the actual beneficiary of the customer:

A. When the customer is a legal person:

- a. The identity of the natural persons who ultimately have a controlling ownership interest in the legal person. A controlling ownership interest refers to owning more than 25 percent of a company's shares or capital.
- b. If the natural person with control is not found, or if it is in doubt whether the natural person with controlling ownership interest is the beneficial owner, inquiry should be made on whether there is other natural person who may exercise control of the customer through other means.
- c. If no natural person with control is found under (a) and (b) above, the Company should identify and take reasonable measures to verify the identity of the relevant natural person who holds the position of senior managing official.

B. When the customer is the trustee of a trust: The settlor(s), trustee(s), trust supervisors, beneficiaries, and any other person exercising ultimate effective control over the trust shall be identified.

C. When the customer or other person with control holds one of the following identity, other than the exceptions provided in item 5 of the Guidelines Governing Anti-Money Laundering and Countering Terrorism Financing of Securities and Futures Sector, the foregoing provisions on identification and confirmation of the shareholders of the company or the identity of the beneficial owner do not apply:

- a. a R.O.C. government entity.
 - b. an enterprise owned by the R.O.C. government.
 - c. a foreign government entity.
 - d. a public company within the R.O.C. and its subsidiaries.
 - e. an entity listed on a stock exchange outside of the R.O.C. that is subject to regulatory disclosure requirements of its principal shareholders, and the subsidiaries of such entity.
 - f. a financial institution supervised by the R.O.C. government, and an investment vehicles managed by such institution.
 - g. a financial institution incorporated or established outside the R.O.C. that is subject to and supervised for compliance with the anti-money laundering and countering terrorism financing requirements consistent with standards set by the FATF, and an investment vehicle managed by such institution.
 - h. Public Service Pension Fund, Labor Insurance, Labor Pension Fund and Postal Savings of the R.O.C.
5. The extent of the Company's measures for customer due diligence and the mechanism for ongoing monitoring should be determined based on the implementation of risk-based approach. The enhanced customer due diligence and ongoing monitoring measures should be applied to those circumstances with higher risk while the simplified customer due diligence measures is allowed where a lower risk has been identified. However, simplified customer due diligence measures are not allowed in the following circumstances:

A. Where the customers are from or in countries and jurisdictions known to have inadequate anti-money laundering/counter-terrorism financing regimes, including but not limited to those which designated by international organizations on anti-money laundering/counter-terrorism financing as countries or regions with serious deficiencies in their anti-money laundering/counter-terrorism financing regime , and other countries or areas that do not or insufficiently comply with the recommendations of international organizations on anti-money laundering/counter-terrorism financing as forwarded by the FSC.

B. Where there is sufficient information to suspect that such customer or transaction involves money laundering or terrorism financing.

6. For customers who are unwilling to cooperate with the audit process, refusing to provide information regarding the actual beneficiary or the person exercising control over such customer, or unwilling to provide explanation as to the nature and purpose of the transaction or the source of fund, the business may temporarily cease the transaction or temporarily or permanently ceases the business relationship with such customer.

7. The Company shall establish prudent and appropriate recruiting procedure for staffs, including an examination of his/her integrity and necessary expertise in performing his/her duty, especially with respect to the staffs performing tasks relating to anti-money laundering and counter-terrorism financing. The Company shall also observe whether there is any conflict of interest between the staff and his/her duty relating to anti-money laundering and counter-terrorism financing.

8. The internal filing procedure and the procedure of filing to designated authority:

A. The Headquarters should have the Vice President and/or equivalent or higher level officers, designated to help coordinate and supervise the execution of money-laundering control; the designated personnel must have attended money-laundering control related training courses. The designated personnel should attend the said training courses within six months from the date of reporting to duty. A responsible supervisor position may be established under the designated personnel in the Headquarters and which position is to be assumed by senior personnel. Branch office should have a senior supervisor appointed to be the designated supervisor for money-laundering supervision and control.

B. The Company's employees shall decline to process the subscription or the application made by a customer upon the occurrence of any of the followings and report it to the designated supervisor:

a. When being informed that he or she is required to provide relevant documentations for identification purpose in accordance with law in a cash transaction, the customer refuses to provide relevant documentations required for the cash transaction.

b. When there is coercion or attempted coercion by the customer on the employees of the Company to not retain confirmed records, transaction records and certificates, or filing reports.

c. When the customer attempts to persuade the employees of the Company to complete the transaction without the required documentations.

d. When the customer inquires as to the possibility of avoiding filing.

e. When the customer is anxious to clarify the source of fund or deny the act of money

laundering.

f. When the customer insists to have transactions completed immediately without reasonable explanation.

g. When the customer attempts to offer incentives to the employees of the Company for the purpose of securing the securities financial institution to provide services.

C. Filing procedures:

a. For any single cash transaction consisting of NT\$500,000 or above (or an equivalent amount in foreign currency), the Company's transaction handling personnel should report it to the designated supervisor immediately and, within five business days of the occurrence of the transaction, complete Attachment 1 and file it with the Investigation Bureau, Ministry of Justice through the Headquarters.

b. Reporting of suspected money laundering transaction(s):

i. The Company's transaction handling personnel who is aware of any nonconforming transaction or suspects money laundering activities, it shall be immediately reported to the designated supervisor.

ii. When the said designated supervisor receives the foregoing report, determination should be made at the earliest possible time whether such matter is a matter requiring reporting. If a decision is made to have the said nonconforming or suspected money-laundering transaction reported, the transaction handling personnel should be instructed to fill out the reporting form in Attachment 2.

iii. The transaction handling personnel is to have the report forwarded to the responsible personnel in the Headquarters after having it reviewed by the designated supervisor. The responsible personnel in the Headquarters are to have the report filed with the Investigation Bureau, Ministry of Justice for record.

iv. The above filing with the Investigation Bureau, Ministry of Justice shall be completed within ten business days upon the awareness of suspected money laundering transaction.

v. If the designated supervisor has concluded that the nonconforming transaction or suspected money-laundering activities are deemed as a material matter, a verbal report should be made to the responsible personnel in the Headquarters first and then inform the Investigation Bureau, Ministry of Justice through fax or other means, and immediately followed it by filing a written report.

vi. If there are reports of any suspected money laundering activities, the types of activities and the number of case for the previous year shall be reported to the FSC within fifteen days after the end of each fiscal year.

9. Confidentiality:

A. The aforementioned filing data and information shall be kept confidential and may not be arbitrarily disclosed by the Company's employees.

B. The data and document filed should be kept confidential and any unauthorized disclosure will be dealt with in accordance with the relevant laws and regulations.

10. The Company's risk control mechanism or internal control system includes the following:

A. According to the "Guidelines for Establishing Relevant Prevention Measures and Assessing Risks of Money Laundering and Terrorism Financing for Securities Investment Trust and Consulting Business" (hereinafter, the "Guideline", as attached), relevant policies and procedures concerning the risk identification, risk assessment, risk management of money laundering and terrorism financing should be established. Plans to prevent money laundering and counter terrorism financing should be developed according to the Guideline and be based on the results of the abovementioned risk assessments. Foreign financial institutions' established policy and procedures in relation to anti-money laundering and counter-terrorism financing may be applied by their Taiwan branches and subsidiaries if such policy and procedures are equivalent to, or held to a higher standard than those required under the laws in Taiwan and are not in conflict with the laws of Taiwan.

B. A standard operating procedure complying with the anti-money laundering and counter terrorism financing regulations should be included in the self-inspection and internal audit system.

11. Provisions for the periodic evaluations of the adequacy of internal control measures for the prevention of money-laundering and the countering of terrorism financing:

A. The Headquarters of the Company should have its established anti-money laundering control policies reviewed periodically and records of such reviews should be made.

B. The types and level of internal control measures adopted should be proportionate to the risk of money laundering and terrorism financing and the size of the business.

C. For those with many and widespread branch offices, a regional anti-money laundering control review meeting may be held for collective analysis by summoning the relevant personnel.

12. Audit on anti-money laundering and counter-terrorism financing operations by internal auditor:

A. The Company should have anti-money laundering guidelines incorporated in the internal control system, which should be reported to industrial association for review in accordance with related regulations. The auditing office should perform periodical audits and examine the effectiveness of the anti-money laundering and counter-terrorism financing plans and the quality of the risk management by the Company in its operations, and by its departments and branch offices.

B. Auditors that have identified any nonconformity committed by the employees of the Company who are responsible for anti-money laundering control process should have an audit report prepared and submitted to the responsible personnel and President for approval; in addition, a corrective action should be proposed for reference in employee's on-job training.

C. The responsible department in the Headquarters should appropriately deal with the auditors who have deliberately concealed significant irregularities that they uncovered.

13. When a securities investment trust business or a securities investment consulting business diversified into other business sectors, the relevant directions on anti-money laundering and countering terrorism financing shall also apply to the new business.

14. The Company should ensure that its overseas branches and subsidiaries, to the extent the law

of the host country permits, comply with the “Anti-Money Laundering and Countering Terrorism Financing” (AML/CFT) measures that are as conscientious as guidelines applicable in the R.O.C. Where the requirements in the host country differ from those in the home country, the company should require that the overseas branch or subsidiary apply the higher of the two standards. However, when the identity of higher standard is in doubt, the home country's definition should be adopted. Where the law of the host country conflicts with home country's law such that the overseas branch or subsidiary is unable to observe the same standard with the head office, the company should apply additional measures appropriate to the management of the risks of money laundering and terrorism financing and report the relevant facts to the competent authority for record.

IV. Arrange or participate in money-laundering control training courses periodically:

Provide or arrange training courses and seminars periodically to employees for reinforcing their judgment, and to help employees understand the features of money laundering and to help identify suspected money-laundering transactions.

V. Rewards to personnel responsible for the success of money laundering control:

The employees of the Company who contribute to the success of money laundering control in the following ways shall be rewarded:

1. Report suspected money laundering cases to help prosecution and investigation office prevent or fight crimes;
2. Attend national and international money laundering control seminars successfully or collect valuable data from international studies on securities financial institution money laundering control activities.

VI. These Guidelines are in effect upon the approval of the Board of Directors and are to be filed with FSC for record; the Guidelines are to be reviewed annually and the amendment of the Guidelines is to be processed the same way.