

Chronology of Events of the CBC in 2011

Date	Events
Jan. 1	New Taiwan dollar demand deposits placed by overseas Chinese, foreign, and Mainland Area investors shall be subject to a 90 percent reserve requirement ratio on the amount exceeding the outstanding balance recorded on December 30, 2010. A 25 percent reserve requirement ratio began to be imposed on the portion below the December 30, 2010 level. In addition, a zero remuneration rate will be applied to funds originating from the aforesaid deposits on banks' B reserve accounts with the Bank.
Jan. 17	The remuneration rates on banks' B reserve accounts with the Bank were raised. Reserves from demand deposits would receive interest at 0.203 percent per annum, while those from time deposits 0.986 percent.
Jan. 20	The Bank announced the Interpretations and FAQs for the <i>Regulations Governing the Extension of Housing Loans in Specific Areas and Land Loans by Financial Institutions</i> .
Mar. 31	The Bank's Board raised the discount rate, the rate on accommodations with collateral, and the rate on accommodations without collateral by 12.5 basis points to 1.75 percent, 2.125 percent and 4.0 percent, respectively, effective from April 1, 2011.
Apr. 20	<p>The remuneration rates on banks' B reserve accounts with the Bank were raised. Reserves from demand deposits would receive 0.233 percent interest, while those from time deposits 1.043 percent.</p> <p>The Bank amended the <i>Directions for the Sale and Buyback of Treasury Bills</i> to allow securities firms to submit bids in treasury bill auctions, effective immediately.</p>
Apr. 27	<p>The amendments to the <i>Central Bank of the Republic of China (Taiwan) Act</i> were promulgated by the President. The major amendments were as follows:</p> <ol style="list-style-type: none"> 1. The Bank's Board of Directors has the power to approve policies concerning money, credit and foreign exchange. 2. The Bank, if necessary, may undertake the inspection and target examination of the operations of financial institutions and impose new

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	regulatory fines on financial institutions.
	3. The Bank may establish representative offices overseas, and may propose regulations governing the Bank's personnel management matters.
Jun. 30	The Bank's Board raised the discount rate, the rate on accommodations with collateral, and the rate on accommodations without collateral by 12.5 basis points to 1.875 percent, 2.25 percent and 4.125 percent, respectively, effective from July 1, 2011.
Jul. 7	The Bank amended the <i>Directions for the Operation of Book-Entry Central Government Securities</i> to strengthen risk management of repo transactions of government securities, effective from January 1, 2012.
Jul. 19	The Bank raised the required minimum ratio of liquid assets to liabilities ("minimum liquidity ratio") for deposit money banks from 7 percent to 10 percent with the liquidity reserve requirement to be calculated on a daily basis, effective from October 1, 2011.
Jul. 21	The Financial Supervisory Commission (FSC) and the Bank jointly promulgated new regulations to allow offshore banking units (OBUs) and overseas branches of Taiwan's domestic banks to apply for permission to conduct RMB business, effective immediately.
Jul. 29	The Bank amended the <i>Regulations Governing Foreign Exchange Brokers</i> , effective immediately. The major amendments were as follows: <ol style="list-style-type: none"> 1. Regarding investment in a foreign exchange broker, a domestic or foreign financial institution engaging in deposit and lending businesses shall not hold more than 10% of the total capital of the said broker. 2. The Bank may revoke or void the license of a foreign exchange broker should any regulatory violations occur.
Aug. 1	The Bank raised the remuneration rates on banks' B reserve accounts with the Bank. Reserves from demand deposits would receive 0.248 percent interest, while those from time deposits 1.113 percent.
Aug. 2	The Bank announced the interpretations of the terms and conditions that

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	<p>individuals' land loans may be exempted from providing concrete construction plans, which are otherwise required pursuant to the <i>Regulations Governing the Extension of Housing Loans in Specific Areas and Land Loans by Financial Institutions</i>.</p>
Sep. 7	<p>The Bank cooperated with the FSC to make the amendments to the <i>Regulations Governing the Banking Activity and the Establishment and the Investment by Financial Institution Between the Taiwan Area and the Mainland Area</i> to broaden the scope of cross-strait banking activities approved to be conducted by OBUs.</p>
Sep. 29	<p>The Bank's Board decided to leave the discount rate, the rate on accommodations with collateral, and the rate on accommodations without collateral unchanged at 1.875 percent, 2.25 percent, and 4.125 percent, respectively.</p>
Dec. 15	<p>In line with the government's economic stimulus policies, the Bank agreed that for those homeowners who are involuntarily unemployed, their housing loans in the Specific Areas as per the relevant <i>Regulations</i> may be exempted from the prohibition of a grace period.</p>
Dec. 22	<p>The Bank cooperated with the FSC to allow OBUs to invest as entrusted or with their own capital in foreign currency denominated funds issued by domestic securities investment trust enterprises.</p>
Dec. 28	<p>The Bank amended the <i>Directions for the Sales and Buybacks of Central Government Bonds</i>, raising the minimum purchase amount for each delegated auction group member from NT\$300 million to NT\$800 million per year. The Bank may terminate their status as an auction group member those who fail to meet the above requirement, effective immediately.</p>
Dec. 29	<p>The Bank's Board decided to leave the discount rate, the rate on accommodations with collateral, and the rate on accommodations without collateral unchanged at 1.875 percent, 2.25 percent, and 4.125 percent, respectively.</p> <p>The Board also set the target zone of M2 growth for 2012 at 2.5 percent to 6.5 percent.</p>