

Chronology of Events of the CBC in 2006

Date Effective	Events
Jan. 1	The Bank requested financial institutions to link their lending rates to the benchmark base rate.
25	The Bank allowed futures enterprises that engage in consigned trading in overseas futures market to make remittance directly with approval documents.
27	The Bank amended the <i>Offshore Banking Act</i> regarding credit lines limits and tax exemption regulations, allowing the OBUs to conduct business with more flexibility.
Feb. 9	The Financial Supervisory Commission (FSC) and the Bank allowed the Taiwan Futures Exchange (TAIFEX) to launch three new US dollar-denominated products: Gold Futures contracts, MSCI Taiwan Index Futures and MSCI Taiwan Index Options, effective March 27, 2006.
24	The FSC and the Bank allowed foreign investors to invest in warrants during the underwriting period before their initial public offering.
Mar. 21	The Bank allowed banks to use their qualified asset-backed securities as liquid reserved assets.
23	The FSC and the Bank allowed foreign investors to trade domestic futures and options and excluded these transactions from foreign investors' investment cap (30% of their inward remittance).
27	In line with the liberalization of Taiwan Futures market, allowing foreign investors to engage in transactions for non-hedging purposes, to trade through

		omnibus accounts, and the launch of foreign currency-denominated futures products, the Bank amended the <i>Directions for Banking Enterprises on Assisting Customers to Declare Foreign Exchange Receipts and Disbursements or Transactions</i> .
	27	The Bank agreed the Taiwan Securities Central Depository Co., Ltd (TSCD) and the Debt Instruments Depository and Clearing Co., Ltd. Taiwan (DIDC) to merge into the Taiwan Depository & Clearing Corporation (TDCC), and allowed the TDCC to use the CBC Interbank Fund-Transfers Settlements System for funds settlements.
	31	The Bank raised the discount rate, the rate on accommodations with collateral, and the rate on accommodations without collateral by 12.5 basis points to 2.375 percent, 2.75 percent and 4.625 percent, respectively.
Apr.	14	The Bank expanded the scope of foreign investments for the Taiwan Post Co. to invest in foreign government bonds with credit ratings equal to or higher than Taiwan's long-term sovereign rating, and mortgage backed securities issued by American Government-Sponsored Enterprises (GSEs).
May	15	The Bank allowed more banks located in Kinmen and Matsu to engage in purchasing and selling RMB banknotes and simplified associated remittance processes.
	15	The Bank allowed credit cooperatives to invest in the Bank's certificates of deposit and to serve as the eligible bidders.
	16	The Bank allowed foreign investors to invest in securities investment trust funds through private placements.
	30	The Bank amended the <i>Directions for Displaying Interest Rate by Financial Institutions</i> to allow financial institutions to post differential rates by types.

Jun.	16	The Bank amended the <i>Directions for the Central Bank of the Republic of China (Taiwan) to Govern Electronic Interbank Fund Transfers and Settlements</i> to extend the pending acceptance period for designated-time transfers from six months to one year, effective June 26, 2006.
	20	The Bank allowed foreign investors to take secured loans from securities firms for settlement needs.
	30	The Bank raised the discount rate, the rate on accommodations with collateral, and the rate on accommodations without collateral by 12.5 basis points to 2.5 percent, 2.875 percent and 4.75 percent, respectively.
July	1	The Bank, the FSC and the Central Deposit Insurance Corporation (CDIC) excluded structured financial instruments from insurance coverage from July 2006.
	4	The Bank agreed the GreTai securities market to provide clearing services for foreign currency securities through an electronic platform and to apply for foreign currency loans from banks for their settlement needs.
	5	The Bank set the qualifications for securities firms that wish to provide underwriting service for foreign currency-denominated bonds and stocks traded in domestic market.
	7	The Bank excluded remittances associated with foreign currency-denominated futures transactions and international humanitarian assistance made by domestic charity organizations from their annual foreign exchange remittance quotas.
Aug.	4	The Bank agreed foreign investors to invest in foreign currency funds issued by local securities investment trust enterprises (SITs).
	9	The Bank agreed foreign investors to take secured loans from securities

		finance enterprises for their settlement needs, effective September 13, 2006.
	13	The Bank agreed overseas Chinese and foreign investors to borrowed securities from securities firms, effective August 18, 2006.
	16	The Bank amended the <i>Directions Governing Designated Dealers for Open Market Operations</i> to allow a financial institution or the Taiwan Post Co. to act as both a general designated dealer and a primary dealer in central government bond market, upon the Bank's approval.
	16	The Bank agreed foreign investors to invest in foreign currency-denominated international bonds issued by foreign issuers and listed in the GreTai securities market. The first foreign currency-denominated bond was issued on November 1, 2006.
Sept.	19	The Bank allowed banks to operate structured NT dollar deposits linked with dbX-Harmony II of hedged fund index with constant proportion portfolio insurance (CPPI) technique.
	29	The Bank raised the discount rate, the rate on accommodations with collateral, and the rate on accommodations without collateral by 12.5 basis points to 2.625 percent, 3.0 percent and 4.875 percent, respectively.
	29	The Bank amended the <i>Directions for the Extension of Housing Loans by Financial Institutions Under the Preferential Housing Loan Program</i> to extend its effective period until the loan quota is used up.
Oct.	25	The Bank agreed banks to engage in several new credit derivatives businesses, including Basket Default Swaps, First-to-Default Swaps, N-to-Default Swaps, and Structured Basket Default Swaps.
Nov.	15	The Bank agreed banks to extend their NT dollar loans to foreign investors without domicile in Taiwan.

- Dec. 1 The Bank simplified enterprises' overseas investment application procedures. Investment projects under US\$ 20 millions will not be required to obtain the Bank's approval.
- 8 The Bank agreed banks to engage in NT dollar swaps linked to ABN AMRO CQII index and structured products composed of NT dollar time deposits linked to ABN AMRO CQII index.
- 28 The Bank set the intermediate target zone for M2 growth in 2007 at 3.5 to 7.5 percent.
- 30 The Bank raised the discount rate, the rate on accommodations with collateral, and the rate on accommodations without collateral by 12.5 basis points to 2.75 percent, 3.125 percent and 5.0 percent, respectively.