

**MEMO# 28921**

April 24, 2015

# **ICI Global Letter to Taiwan FSC on Stricter Criteria for Offshore Fund Houses**

[28921]

April 24, 2015

TO: ICI GLOBAL REGULATED FUNDS COMMITTEE No. 14-15  
INTERNATIONAL COMMITTEE No. 20-15 RE: ICI GLOBAL LETTER TO TAIWAN FSC ON  
STRICTER CRITERIA FOR OFFSHORE FUND HOUSES

On April 14th the Taiwan Financial Supervisory Commission (FSC) issued a consultation that would impose stricter criteria for offshore fund houses. The consultation provided only 7 days to comment. [\[1\]](#) We submitted the attached comment letter expressing our main concerns and suggesting certain modifications in the implementation of the criteria.

In particular, the FSC plans to revise the Regulations Governing Offshore Funds, demanding fund companies meet one of the three requirements below before they can apply to launch an offshore fund in Taiwan.

An international fund company must:

- Set up a securities investment trust enterprise (SITE) in Taiwan managing more than NT\$5 billion (US\$160.8 million) in assets;
- Establish a securities investment consulting enterprise (SICE) managing more than NT\$3.5 billion (US\$112.6 million) in assets; or
- Award an offshore fund mandate worth at least NT\$3.5 billion (US\$112.6 million) to a Taiwanese fund company.

On top of the planned new requirements, an international fund company must also meet the existing criteria for launching offshore funds in Taiwan, which are: having at least US\$2 billion in assets under management, excluding assets from pension funds and discretionary investment accounts; being free of sanctions in the past two years; and having been in operation for at least two years.

In our letter, we asked the FSC to consider: (1) an extended grace period for compliance, (2) waiving the requirements in appropriate circumstances, and (3) recognizing offshore fund domiciles that serve an important role in the Taiwan market.

If you have any questions or would like to discuss developments in Taiwan regarding offshore funds houses, please contact the undersigned.

Eva M. Mykolenko  
Associate Chief Counsel - Securities Regulation

[Attachment](#)

**endnotes**

[1] We were not able to obtain a version of the consultation in English, it is available from the FSC's website at:

[http://www.sfb.gov.tw/ch/home.jsp?id=89&parentpath=0,3&mcustomize=lawnotice\\_view.jsp&dataserno=201504140001&contentid=89&toolsflag=Y](http://www.sfb.gov.tw/ch/home.jsp?id=89&parentpath=0,3&mcustomize=lawnotice_view.jsp&dataserno=201504140001&contentid=89&toolsflag=Y).

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