

Three horizontal lines in black, yellow, and grey are positioned above the main title area.A yellow bar with a diagonal hatched pattern on the left side is located above the main title area.

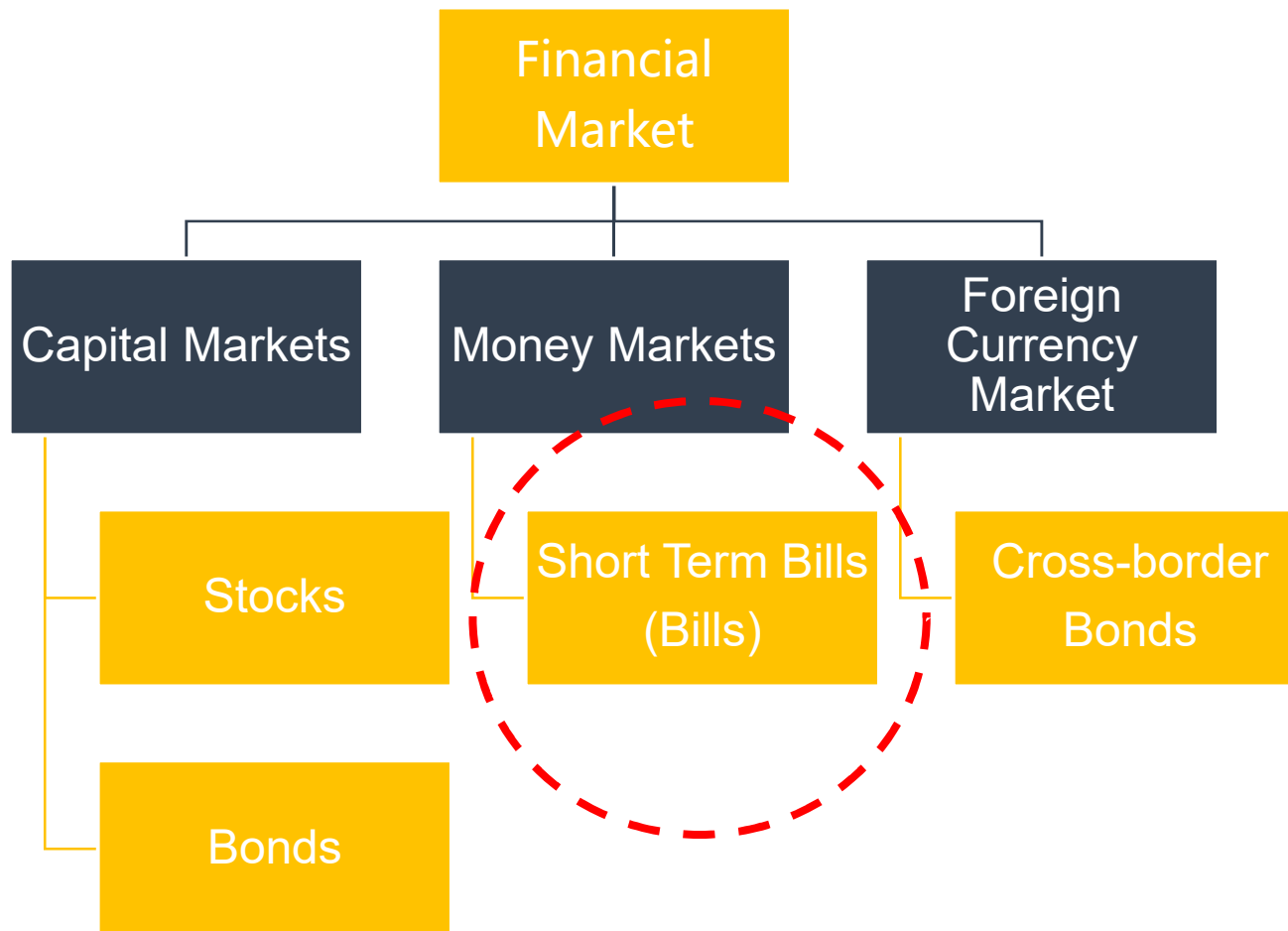
The Fintech application to TDCC' s digital service of commercial paper issuance

Fixed Income Service Department

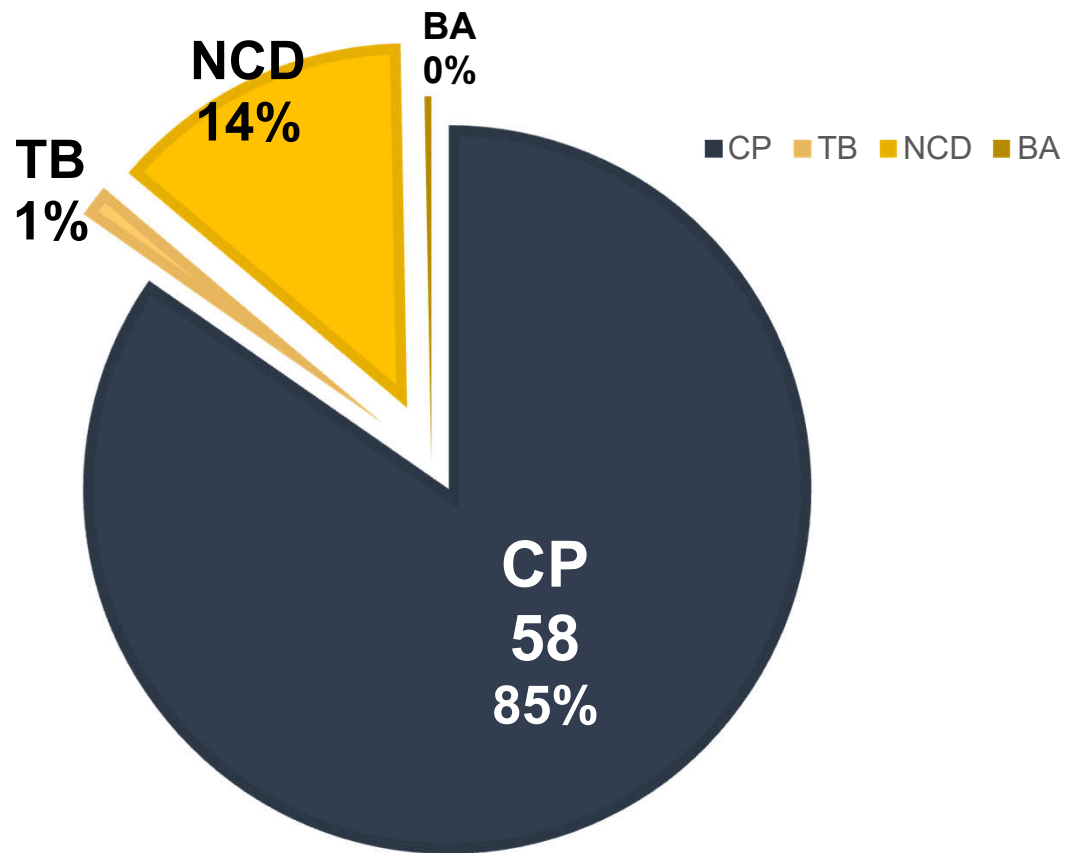
Duncan Cho 2019.3.6

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Financial Markets we cover



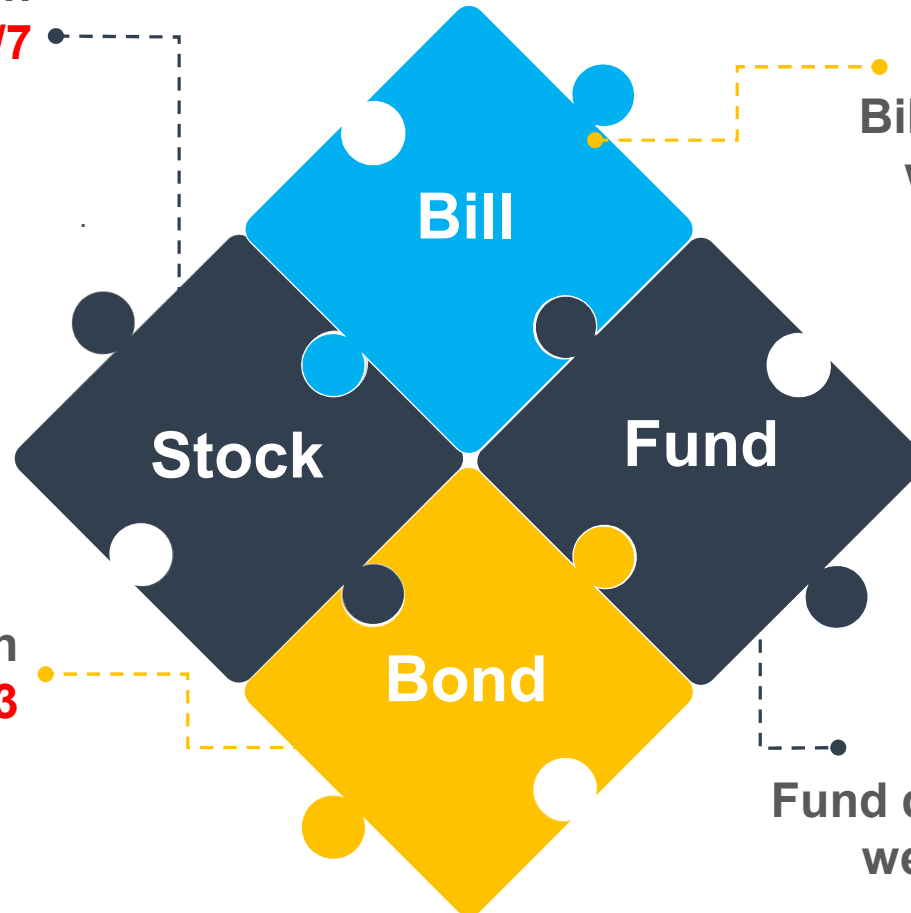
Overall market for Bills market



Unit: Billion USD
Date: Up to Dec. 31, 2018



Stock dematerialization
went live on **2011/7**



Bill dematerialization
went live on **2017/9**

Bond dematerialization
went live on **2011/3**

Fund dematerialization
went live on **2011/1**

The Regulatory Problems of CP



2004 Apr.

The CP was issued in physical form and central deposited into TDCC

During the period, no legal basis for unpaid non-physical CP.



2017 Apr.



The Legislative Yuan approved the amendment Article 26 of The Act Governing Bills Finance Business

CP holder take the certificate issued by TDCC to the court

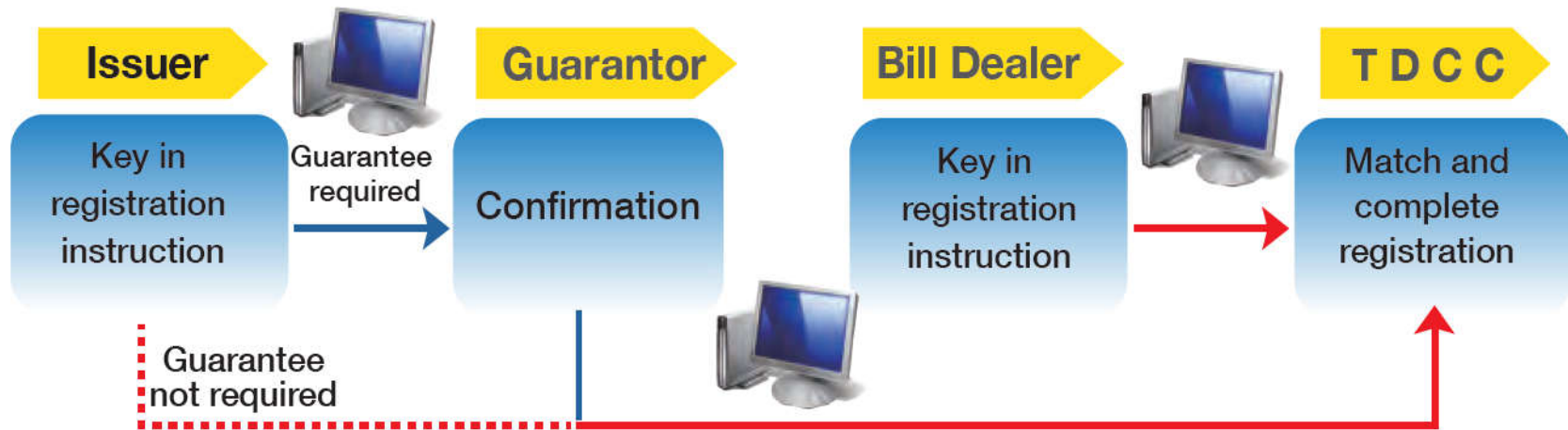


The incentive and driving force of Bill's dematerialization



 CP dematerialization went live on **2017/09**

Dematerialized issuance of CP



Dematerialized issuance of CP

However ,

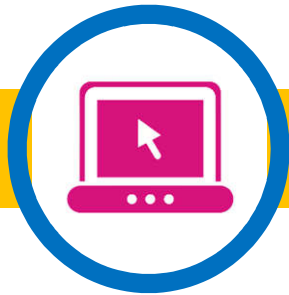
Even CP issued in dematerialized form, CP issuance documents still need to delivery in physical by the staff of bill finance company.



Digitalization of commercial paper issuance documents delivery went live

Sep. 2017

Bill dematerialization goes on live



Sep. 2018

Approved by Central Bank & FSC



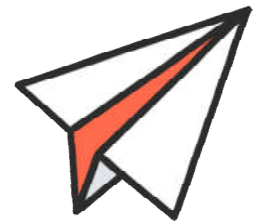
Feb. 2018

Discussion with Bill Association

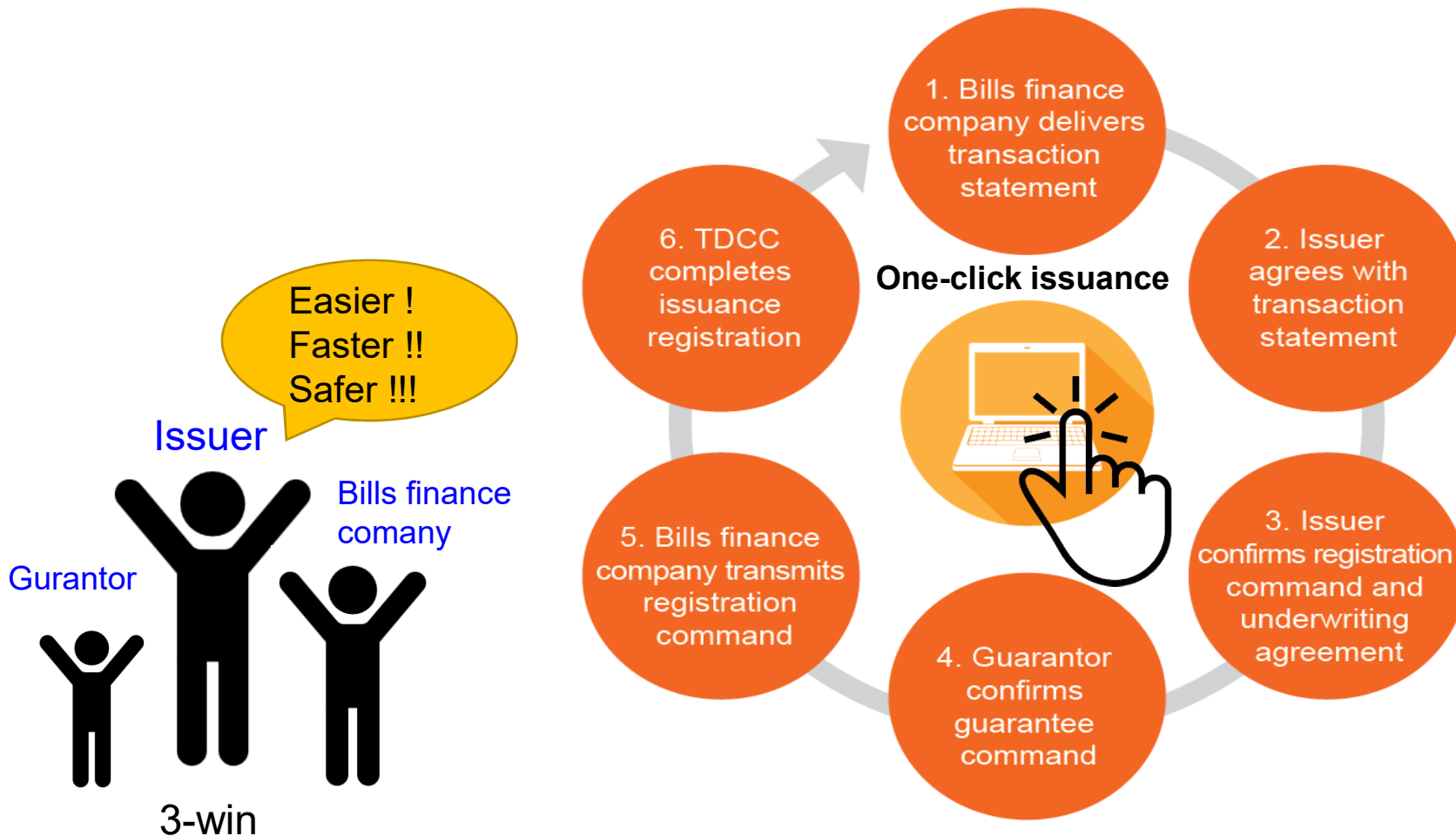


Oct. 2018

Digitalization of commercial paper issuance documents delivery went live



The process of dematerialized issuance of CP after digitalization of CP documents



Overall market since Bill dematerialization

**1.6
billion**
Daily issue volume

529 billion
Total
issuance
amount since
Sep. 2017

6.5 million
Average
Issue amount

262
Daily issue
numbers

**3,397
issuers**
Number of
Account Opening
since Sep. 2017

Unit: Billion USD
Date: Up to Dec. 31, 2018

The advantage of digitalization of CP



Elevate operation efficiency for issuers



Cut cost and save time for bills finance company on documents delivery



Reduce the fat-finger error



Minimize the risk of losing the securities

Innovative fintech characteristics

Digital Signature

- ✓ Incorruptible and verifiable

Open Platform

Issuers
Guarantors
Bills finance companies



Business Landscape



Blockchain and Big Data

- ✓ Applying blockchain technique on secondary market
- ✓ Using big data to report Central Bank & FSC



Thanks for listening

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