

February 3, 2015

Christian Charron
Tax Policy Officer, Tax Policy Branch
Department of Finance
90 Elgin Street
Ottawa, ON K1A 0G5

Dear Mr. Charron:

Re: Designated Stock Exchange List (DSE List) – Follow-Up Request for Expansion

We are submitting this letter as a follow-up to the letter we received on October 23, 2014 from the Minister's Office in response to our request of January 10, 2014 to add the BM&F Bovespa Exchange of Brazil, the Korea Exchange of South Korea and the Taiwan Stock Exchange of Taiwan (Republic of China) to the list of designated stock exchanges for the purpose of the Canadian *Income Tax Act* (the Act). We are very pleased that the Department of Finance has taken steps to expand the DSE List in light of our recommendations. The BM&F Bovespa Exchange of Brazil and Korea Exchange are welcome additions to the DSE List.

If you recall from our prior meetings and discussions/submissions, we maintain that there are still strong arguments in favour of discontinuing the DSE list altogether, however we respect the Department's position to maintain a list and have therefore prioritized the following 3 additional exchanges for your further consideration:

- 1. National Stock Exchange of India Limited (NSE)**
- 2. Taiwan Stock Exchange (TWSE)**
- 3. Stock Exchange of Thailand (SET)**

We note that we previously recommended the Taiwan Stock Exchange be added to the DSE List but this was not reflected in the Minister's response letter. Our Members continue to believe that the TWSE merits inclusion in the DSE List and we request your further consideration of this exchange. All of the above recommended exchanges are commonly accessed by portfolio managers for non-registered investments, meet the criteria included in our July 25th 2013 submission, (i.e. OECD country, member of IOSCO, Income Tax Treaty etc.) and are all included in the MSCI Emerging Markets Index.

We have included some updated information on each exchange below and in Appendix A of this letter. In forming our recommendations of the foreign exchanges suggested above, we considered whether the exchange is located in a country that is a member of the World Trade Organization (WTO), International Monetary Fund (IMF), Financial Action Task Force (FATF), World Federation of Exchanges (WFE) and Organization for Economic Co-operation and Development. We also reviewed whether the exchange operates in a country that has a tax treaty with Canada. A summary of this review is included below.

Country	Exchange	WFE	OECD	Tax Treaty	WTO	IMF	FATF
India	National Stock Exchange of India Limited	✓	✓	✓	✓	✓	✓
Taiwan	Taiwan Stock Exchange Corp.	✓	✓	X	✓	✓	X
Thailand	The Stock Exchange of Thailand	✓	✓	✓	✓	✓	X

Status of IOSCO Membership

We also reviewed whether the exchange was located in a country that is a member of IOSCO.

Country	Exchange	IOSCO¹ Ordinary Members	IOSCO Affiliate Members	IOSCO Associate Members
1. India	National Stock Exchange of India Limited	Yes - Securities and Exchange Board of India	Yes - National Stock Exchange; BSE Limited; Multi Commodity Exchange of India Limited; MCX Stock Exchange Limited (MCX-SX)	Yes - Forward Markets Commission
2. Taiwan	Taiwan Stock Exchange Corp.	Yes - Financial Supervisory Commission	Yes - Taiwan Stock Exchange Corp.; Gre Tai Securities Market; Taiwan Futures Exchange (TAIFEX); Taiwan Securities Association	None
3. Thailand	The Stock Exchange of Thailand	Yes - Securities and Exchange Commission	Yes - The Stock Exchange of Thailand	None

High Level Overview of Each Recommended Exchange

1. National Stock Exchange of India Limited (NSE)

The NSE is stock exchange located in Mumbai, India and has a market capitalization of more than US\$1.48 trillion making it one of the world's top twenty stock exchanges by market capitalization.² India is now one of the world's largest economies and given its size and governance, Canadian investors, should have access to investments in this growing, dominant world player. In addition, many Canadian firms have operations and joint ventures in India.

The NSE operates a nation-wide, electronic market, offering trading in Capital Market, Derivatives Market and Currency Derivatives segments including equities, equities based derivatives, Currency futures and options, equity based ETFs, Gold ETF and Retail Government Securities. With more than 10 asset classes in offering, the NSE has taken many initiatives to strengthen the securities industry and provides several new products. Responding to market needs, the NSE has introduced services like DMA, FIX capabilities, co-location facility and mobile trading to cater to the evolving need of the market and various categories of market participants.

The NSE has made its global presence felt with cross-listing arrangements, including license agreements covering benchmark indexes for U.S. and Indian equities with CME Group and

¹ The International Organization of Securities Commissions (IOSCO), established in 1983, is the acknowledged international body that brings together the world's securities regulators and is recognized as the global standard setter for the securities sector. IOSCO develops, implements, and promotes adherence to internationally recognized standards for securities regulation, and is working intensively with the G20 and the Financial Stability Board (FSB) on the global regulatory reform agenda. IOSCO is the only international financial regulatory organization which includes all the major emerging markets jurisdictions within its membership. IOSCO Memberships include: *Ordinary, Associate and Affiliate Members*.

² See World Federation of Exchanges data available at: <http://www.world-exchanges.org/statistics/monthly-reports>

has also signed a Memorandum of Understanding (MOU) with Singapore Exchange (SGX) to cooperate in the development of a market for India-linked products and services to be listed on SGX. The two exchanges also will look into a bilateral securities trading link to enable investors in one country to seamlessly trade on the other country's exchange.

For more information on the NSE, see the [2014 Fact Book](#).

2. Taiwan Stock Exchange (TWSE)

The TWSE is also one of the world's top twenty stock exchanges by market capitalization. In 2014, the Forbes Global 2000 Annual List included 47 Taiwanese companies up from 41 in 2013, which collectively had a combined market value of over \$430 billion, with \$1.4 trillion in assets; generating over \$5 billion in revenues.³

The TWSE is home to many leading global semi-conductor companies with products used in mobile phones, tablets, and other electronic devices. This is an area underrepresented in the Canadian market. Many of these companies are global leaders. Taiwan is also home to Giant Manufacturing, recognized as the world's largest bicycle manufacturer. There are 32 companies listed on the TWSE that are larger than \$5 billion market cap with the largest being Taiwan Semiconductor Manufacturing. Overall, there are a number of key, large semiconductor stocks in Taiwan that should be accessible to investors in the Canadian market.

According to the 2013 Annual Report, the Exchange strives to achieve a dual mission: "providing expedient fundraising processes and ensuring a secure investing environment for the public."⁴ The TWSE is guided by four fundamental duties: "servicing the market, developing new products, expanding market scale, and forging international alliances."⁵

The following are excerpts from the 2013 Annual Report⁶:

Looking back on 2013, TWSE continued to work closely with national authorities to promote the goal of creating a more liberal and international securities market. In several areas, from securities issuing to trading, TWSE made substantial progress on a number of measures aimed at improving the operational efficiency and service quality of the securities market. The Exchange continued to develop financial products and to strengthen its links to the international community.

TWSE is actively involved in the activities of international organizations. In 2013, it assisted the Financial Supervisory Commission in hosting a credit rating agency committee meeting on behalf of the International Organization of Securities Commissions (IOSCO), enhancing the reputation of Taiwan's securities market in the international arena. To cooperate and share on a mutually beneficial basis with other exchanges and securities institutions, TWSE arranged an "Internet Trading Program" for the Securities and Exchange Commission of Thailand, an "ETF Training Program" and "Risk Management and Internal Audit Training Program" for the Hanoi Stock Exchange, and a "Market Surveillance, Clearing and Settlement Training Program" for the Securities and Exchange Commission of Mongolia. TWSE was also invited to speak at "Asia Capital Markets Day" hosted by the London Stock

³ See Forbes Global 2000: Taiwan's Largest Companies, dated July 8, 2013 available at: <http://www.economywatch.com/companies/forbes-list/taiwan.html>. The FORBES Global 2000 is a comprehensive list of the world's largest, most powerful public companies, as measured by revenues, profits, assets and market value.

⁴ See page 3 of Annual Report 2013 available at <http://www.twse.com.tw/en/about/company/annuals.php>. The 2014 Annual Report is not yet available.

⁵ *Ibid.*

⁶ *Ibid.*

Exchange, visited the New York Stock Exchange for the purpose of strategic alliance and cooperation between the two exchanges, discussed substantial ways of cooperating with the Tokyo Stock Exchange on issues of ETF cross listing and information systems, and exchanged ideas with NASDAQ OMX regarding cross-market surveillance. These activities were all carried out with the goal of strengthening global links and cross-border cooperation, as well as promoting the internationalization of Taiwan's securities market.

For more information on the TWSE, see the [2014 Fact Book](#).

3. The Stock Exchange of Thailand (SET)

Thailand's stock exchange has the third largest market capitalization in Southeast Asia and also has emerged into a trading hub for institutional investors. The market capitalization is currently about 14.8 trillion baht with over 580 listed companies.⁷ Among the top traded securities, are petrochemical sector companies and banks. The indices of the SET are SET Index, SET50 Index and SET100 Index.

The SET has achieved major milestones in the last couple of years both domestically and on international fronts. The SET Index reached a 20-year historical high in May of 2013. SET's market capitalization peaked at this time then dropped by year end, down by 2.83 percent from year end 2012. The trading value in 2013 marked a record high for SET and exceeded those of other ASEAN stock markets for the second successive year.

The following are excerpts from the 2013 Annual Report⁸:

Despite facing both external and domestic turbulence, for The Stock Exchange of Thailand (SET), 2013 was one of its most successful years due to the unstinting effort and commitment of all staff members and synergy from its alliance partners and other stakeholders. SET's outstanding performance made it a regional leader in various aspects for the second consecutive year. SET (including its Market for Alternative Investment, or mai) achieved an average securities trading value of THB 50.33 billion (approx. USD 1.55 billion) per day, the highest in ASEAN and a record high in SET history.

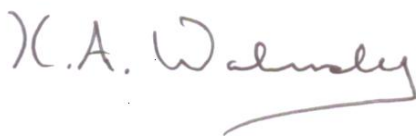
Total IPO market value reached THB 346.51 billion (USD 10.66 billion), the highest ever since SET started operations. In addition, the Thai bourse listed the largest IPO in ASEAN – BTS Rail Mass Transit Growth Infrastructure Fund (BTSGIF). Meanwhile, MSCI Global Standard Indices added five Thai stocks in calculating its indices, the highest rise of stocks for this purpose in Asia.

~~~

PMAC would be pleased to meet again to discuss this issue. Please let us know if you require further information.

Yours truly;

PORTFOLIO MANAGEMENT ASSOCIATION OF CANADA



<sup>7</sup> <http://marketdata.set.or.th/mkt/marketsummary.do?language=en&country=US>

<sup>8</sup> Available at: [http://www.set.or.th/en/about/annual/files/annual\\_report\\_2013\\_eng\\_v2.pdf](http://www.set.or.th/en/about/annual/files/annual_report_2013_eng_v2.pdf)

Katie A. Walmsley  
President, PMAC

Scott Mahaffy  
Vice President & Senior Counsel  
MFS Investment Management Canada

cc: Alexandra MacLean, Director, Tax Legislation Division  
Grant Nash, Senior Chief, Tax Legislation Division  
Dan Nowlan, Chief of Staff, Office of the Minister of Finance

## **APPENDIX A**

| <b>CRITERIA<br/>For domestic<br/>and foreign-<br/>based<br/>exchanges:</b>                                                                                                                                                                                                               | <u><b>National Stock Exchange of<br/>India Limited</b></u><br><a href="http://www.nseindia.com/">http://www.nseindia.com/</a>                                                                                                                                                                                                                                                                                                                                                                        | <u><b>Taiwan Stock Exchange Corp.</b></u><br><a href="http://www.twse.com.tw/en/">http://www.twse.com.tw/en/</a>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <u><b>The Stock Exchange of<br/>Thailand (SET)</b></u><br><a href="http://www.set.or.th/en/">http://www.set.or.th/en/</a>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>1) The exchange carries out the normal business of an exchange in listing securities, facilitating the trading, clearing, and settlement of these securities, monitoring and enforcing trades executed on its system, and offering transparent pricing information to the public.</b> | <p>NSE has played a catalytic role in reforming the Indian securities market in terms of microstructure, market practices and trading volumes. The market today uses state-of-art information technology to provide an efficient and transparent trading, clearing and settlement mechanism. For more information, see NSE Factbook at:<br/> <a href="http://www.nseindia.com/research/dynaContent/2013/factbook2013.pdf">http://www.nseindia.com/research/dynaContent/2013/factbook2013.pdf</a></p> | <p>TWSE endeavors to maintain a fair and transparent market mechanism to protect investors' rights and promote a prosperous economy.</p> <p>Listing of Securities   Trading of Securities   Computer and Information Safety   Market Surveillance   Clearing and Settlement   TWSE Securities Borrowing and Lending System   Internationalization of Securities Market   Monitoring of Securities Firms   Investors Service   Securities Information</p> <p><a href="http://www.twse.com.tw/en/about/company/service.php">http://www.twse.com.tw/en/about/company/service.php</a></p>                                                                                                                                                                                                                                            | <p>SET's primary roles are:<br/>         To serve as a center for the trading of listed securities, and to provide the essential systems needed to facilitate securities trading;<br/>         To undertake any business relating to the Securities Exchange, such as a clearing house, securities depository center, securities registrar, or similar activities;<br/>         To undertake any other business approved by the SEC. As defined in the SEA (1992), the SET's primary roles are:<br/>         to serve as a center for the trading of listed securities, and to provide the essential systems needed to facilitate securities trading<br/>         to undertake any business relating to the Securities Exchange, such as a clearing house, securities depository center, securities registrar, or similar activities to undertake any other business approved by the SEC.E5</p> |
| <b>2) The exchange has acceptable standards for new company listings, including standards that address the number of shareholders, the dispersion of ownership, and for the maintenance of a listing.</b>                                                                                | <p>Yes. See Listing Rules at:<br/> <a href="http://www.nseindia.com/corporates/content/eligibility_criteria.htm">http://www.nseindia.com/corporates/content/eligibility_criteria.htm</a><br/>         See Listing Agreement at:<br/> <a href="http://www.nseindia.com/corporates/content/listing_agreement.htm">http://www.nseindia.com/corporates/content/listing_agreement.htm</a></p>                                                                                                             | <p>Yes. For full information on Listing Rules, see:<br/> <a href="http://eng.selaw.com.tw/FnLaw.asp?a1=org&amp;a2=0302000000&amp;a3=TSE Rules &amp;a4=Listing Regulation &amp;a5=&amp;a6=">http://eng.selaw.com.tw/FnLaw.asp?a1=org&amp;a2=0302000000&amp;a3=TSE Rules &amp;a4=Listing Regulation &amp;a5=&amp;a6=</a> TWSE actively promotes corporate governance of listed companies, supervises and regulates their financial and operational status on a routine basis, carries out investigations into unusual circumstances, and verifies material information disclosures. In addition, in order to enhance the quality of information disclosure in the securities market, TWSE works with GreTai Securities Market to manage a "Market Observation Post System", and an "Information Disclosure Evaluation System".</p> | <p>Yes. Its main operations include securities listing, supervision of listed companies and information disclosure, trading, market surveillance and member supervision, information dissemination and investor education.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

|                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>3) The exchange operates within a regulatory framework that meets acceptable standards in relation to investor protection, disclosure requirements, corporate governance, and market integrity, as may be espoused by the International Organization of Securities Commissions (IOSCO).</b></p> | <p>Yes. In India, the responsibility for regulating the securities market is shared by the Department of Economic Affairs (DEA), the Ministry of Company Affairs (MCA), the Reserve Bank of India (RBI), and SEBI. The orders of SEBI under the securities laws are appealable before a Securities Appellate Tribunal (SAT). Member of IOSCO (along with 3 other Indian Exchanges)</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <p>Yes. In order to enhance international information exchange and cooperation, TWSE has entered into Memorandums of Understanding with more than 20 foreign stock exchanges, and actively participates in global securities meetings and organizations, such as WFE, AIOSEF, ANNA and IOSCO.</p> <p>For corporate governance, see: <a href="http://www.twse.com.tw/en/listed/governance/cg_01.php">http://www.twse.com.tw/en/listed/governance/cg_01.php</a></p> | <p>Yes.</p> <p>Regulatory Framework: The Securities and Exchange Act of 1992 (SEA), stipulates the Securities and Exchange Commission (SEC), a single unified supervisory agency, as the regulator of the Thai Capital Market. While the SEC oversees the development of the Kingdom's capital market, the Bank of Thailand (BOT) is responsible for the country's money market. The SEA also provides a clear separation between the primary and the secondary markets to facilitate their successful development. Both primary and secondary markets are regulated by the SEC.</p> <p>SET's Board of Governors (BoG) recognizes the importance of good governance (CG) as a principal factor in making any organization's systems more efficient.</p> |
| <p><b>4) The exchange has (i) experienced management and governance team, a successful track record of operations, and (ii) sufficient financial resources to ensure long-term viability.</b></p>                                                                                                     | <p>NSE is one of the first de-mutualised stock exchanges in the country, where the ownership and management of the Exchange is completely divorced from the right to trade on it. Though the impetus for its establishment came from policy makers in the country, it has been set up as a public limited company, owned by the leading institutional investors in the country.</p> <p>See Board of Directors: <a href="http://www.nseindia.com/global/content/about_us/our_board.htm">http://www.nseindia.com/global/content/about_us/our_board.htm</a>.</p> <p>NSE has adopted the form of a demutualised exchange - the ownership, management and trading is in the hands of three different sets of people. While the Board deals with broad policy issues, decisions relating to market operations are delegated by the Board to various committees constituted by it.</p> | <p>TWSE is a private corporation with 15 board directors and 3 supervisors. At least one-third of board directors and supervisors are appointed by the securities authority to represent the public interest.</p> <p><a href="http://www.twse.com.tw/en/about/company/board.php">http://www.twse.com.tw/en/about/company/board.php</a></p>                                                                                                                        | <p>The SET Board of Governors is comprised of a maximum of eleven people, five of whom are appointed by the SEC, and five who are elected by SET members. The SET President, appointed by the Board, is an ex-officio member of the Board. The Board is also responsible for formulating the SET policies, and supervising the Exchange's operations; however, certain rules and regulations prescribed by the Board must also be approved by the SEC.</p>                                                                                                                                                                                                                                                                                              |

|                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                          |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|
| <b>5) The exchange has a range of listings and adequate liquidity for investors to buy and sell securities at reasonable bid-ask spreads.</b>                                                                                                                                             | <p>YES</p> <p><u>Equities</u></p> <p>Equities</p> <p>Indices</p> <p>Mutual Funds</p> <p>Exchange Traded Funds</p> <p>Initial Public Offerings</p> <p>Security Lending and Borrowing Scheme</p> <p><u>Derivatives</u></p> <p>Equity Derivatives</p> <p>Currency Derivatives</p> <p>Interest Rate Futures</p> <p><u>Debt</u></p> <p>Retail Debt Market</p> <p>Wholesale Debt Market</p> <p>Corporate Bonds</p> | <p>Listed securities on TWSE currently include stocks, entitlement certificates of convertible bonds, convertible bonds, government bonds, beneficiary certificates, call warrants, put warrants, ETFs and Taiwan Depository Receipts (TDRs). TWSE has focused on developing new products to enhance diversification of securities and provide investors with hedging tools.</p> <p>Securities Borrowing and Lending System: The introduction of the SBL mechanism in Taiwan not only increases the liquidity of the Taiwan securities market, but also attracts foreign investors to our market and makes our market more competitive. More information about SBL can be found at the TWSE website (<a href="http://www.twse.com.tw/en/products/SBL/SBL_edu.php">http://www.twse.com.tw/en/products/SBL/SBL_edu.php</a>).</p> | <p>Yes, see website for more information on markets.</p> |
| <p align="center"><b>For foreign-based exchanges:</b></p>                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                          |
| <b>6) The host country of the exchange has commercial, legal and tax relations with Canada, for example, as demonstrated by having entered into a comprehensive tax information exchange agreement or a comprehensive tax treaty.</b>                                                     | <p>Yes.</p>                                                                                                                                                                                                                                                                                                                                                                                                  | <p>No.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <p>Yes.</p>                                              |
| <b>7) The host country is a member in good standing in the international financial community through membership in such organizations as the World Trade Organization (WTO), the International Monetary Fund (IMF), IOSCO, the Financial Action Task Force (FATF), or similar bodies.</b> | <p>WTO - Yes, IMF - Yes and FATF - Yes, WFE - Yes</p>                                                                                                                                                                                                                                                                                                                                                        | <p>WTO - Yes, IMF - Yes, FATF - No, WFE - Yes.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <p>WTO - Yes, IMF - Yes, FATF - No, WFE - Yes.</p>       |



|                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                |                                                                                                                   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|
| <p><b>8) The securities regulatory and juridical framework of the host country of the exchange provides rights and remedies to Canadian investors, including brokers acting on investors' behalf, which are comparable to those available to investors in Canada.</b></p> | <p>Indian Capital Markets are regulated and monitored by the Ministry of Finance, The Securities and Exchange Board of India and The Reserve Bank of India.</p> <p>The Ministry of Finance regulates through the Department of Economic Affairs - Capital Markets Division. The division is responsible for formulating the policies related to the orderly growth and development of the securities markets (i.e. share, debt and derivatives) as well as protecting the interest of the investors. In particular, it is responsible for institutional reforms in the securities markets, building regulatory and market institutions, strengthening investor protection mechanism, and providing efficient legislative framework for securities markets.</p> <p>The Division administers legislations and rules made under the Depositories Act, 1996, Securities Contracts (Regulation) Act, 1956 and Securities and Exchange Board of India Act, 1992.</p> <p>The stock exchange is required to transfer 25% of its annual profits every year to a fund to guarantee settlement of trades of the recognized clearing corporation(s) which clears and settles trades executed on that stock exchange.</p> <p>Arbitration is a quasi judicial process of settlement of disputes between Trading Member, investor, clearing member, sub-brokers etc. Arbitration aims at quicker legal resolution for the disputes. When one of the parties feels that the complaint has not been resolved satisfactorily either by the other party or through the complaint resolution process of the Exchange, the parties may choose the route of arbitration.</p> | <p>Article 10 of Regulations Governing the Investment in Securities by Overseas Chinese and Foreign Nationals (hereinafter referred to as "the Regulations") and Article 77-4 of the Operation Rules of Taiwan Stock Exchange Corporation.</p> | <p>Yes. It operates under the legal framework laid down in the Securities and Exchange Act, B.E. 2535 (1992).</p> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|

|                                                                                                                                                                                                               |                                                                                                   |                                                                                        |                                                                    |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| <b>9) The exchange is recognized by the host government and other foreign governments, where applicable, for tax purposes comparable to those for designated exchanges under the Canadian Income Tax Act.</b> | Yes                                                                                               | TBD                                                                                    | TBD                                                                |
| <b>10) The host country of the exchange has a low risk of imposing capital restrictions or other impediments on the liquidation of investments and the repatriation of funds by foreign investors.</b>        | S&P - Outlook Stable as of Sept 2014 // BBB-/Stable/A-3 'BBB-' long-term sovereign credit ratings | S&P - Foreign Long Term AA-Outlook STABLE // Local Long Term AA- and "A-1+" short-term | S&P - Foreign Long Term BBB+ Outlook STABLE // Local Long Term A-2 |