

Formosa Bond

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Recently, State Bank of India (SBI) issued \$300 million Formosa bonds.



[Ref: CNBC TV-18]

Formosa Bond:

- A Formosa bond is a bond which is **issued in Taiwan but denominated in a currency other than the New Taiwan Dollar**.
- They are issued by the Taiwan branches of publicly traded overseas financial institutions.
- They fall under the **Eurobond category of bonds**, as they are denominated by a currency other than that of the country in which they are issued.
- They can be issued by **subsidiaries of foreign companies** which already operate in Taiwan.
- These bonds are listed and traded on the **Taipei Exchange**.