

## **Instructions for Reporting Voting Shares in Accordance with Paragraph 2, Article 16 of Financial Holding Company Act**

1. These Instructions are drawn up for the purposes of implementing the provisions in Paragraph 2, Article 16 of Financial Holding Company Act (referred to as "the Act" hereunder), enhance the transparency of the ownership of financial holding companies and strengthen the administration over the shareholders of financial holding companies.
2. The same person or same concerned party who singly, jointly or collectively acquires more than five percent (5%) of a financial holding company's outstanding voting shares, or such same person or same concerned party who subsequently increases or decreases their shareholding cumulatively by more than one percent (1%) shall report such fact to the competent authority within ten (10) days from the day of acquisition in accordance with these Instructions.

Where the same person, same concerned party, or third party specified in Paragraph 4, Article 16 of the Act is a juristic person, the following individuals shall be included in the report:

- (1) Natural persons with direct or indirect ownership of over 25% of the juristic person 's shares or capital.
- (2) Natural persons that do not meet criteria in the preceding subparagraph but exercise controlling interest in the juristic person by mandate, contract, agreement, authorization, or other types.

- (3) Natural persons that do not meet criteria in the two preceding subparagraph but exercise decision-making rights in the juristic person.
- (4) Where the juristic person is a trustee of a trust, the individuals shall include the trustor, trust supervisor, trust beneficiary, other individuals that exercise effective control over the trust accounts, or natural persons with equivalent or similar roles as the preceding personnel.
- (5) Where the individuals exercise direct or indirect control over the juristic person through a trust, the individuals shall include the trustor, trustee, trust supervisor, trust beneficiary, other individuals with effective control over the trust account, or natural persons with equivalent or similar roles as the aforementioned personnel.

Where the same person, same concerned party, or third party specified in Paragraph 4, Article 16 of the Act is a juristic person, the regulations of the preceding paragraph shall not apply if such persons controlling the juristic person meet the following criteria:

- (1) A R.O.C government entity.
- (2) An enterprise owned by the R.O.C government.
- (3) A foreign government entity.
- (4) An entity listed on a stock exchange outside R.O.C. that is subject to regulatory disclosure requirements of its principal shareholders, and the subsidiaries of such entity.
- (5) A financial institution supervised by the R.O.C. government, and an investment vehicles managed by such

institution.

- (6) A financial institution established outside R.O.C. that is subject to and supervised for compliance with AML/CFT requirements consistent with standards set by the Financial Action Task Force on Money Laundering (FATF), and an investment vehicle managed by such institution.
  - (7) A fund administered by a R.O.C. government entity.
3. The term "acquisition of outstanding voting shares" mentioned in these Instructions is not conditional upon title transfer. The time point of acquisition is instead determined as follows:
- (1) If the shares are acquired through capitalization of earnings or capital surplus, the date of acquisition shall be the ex-right record date.
  - (2) If the shares are acquired through cash capital increase, the date of acquisition shall be the deadline for subscription payment.
  - (3) If the shares are acquired through public offering, the date of acquisition shall be the deadline for purchase payment.
  - (4) If the shares are acquired through inheritance or gift, the date of acquisition shall be the date of receipt of inheritance or gift.
  - (5) If the shares are acquired through conversion of convertible securities, the date of acquisition shall be the date the request for conversion is made with the issuer.
  - (6) If the shares are acquired through other means, the date of acquisition shall be the date on which the actual

transaction takes place.

4. The same person or same concerned party who singly, jointly or collectively acquires more than five percent (5%) of a financial holding company's outstanding voting shares shall report such fact to the competent authority by submitting the following documents within ten (10) days from the day of acquisition:
  - (1) A declaration statement (Form 1).
  - (2) A declaration form (Form 2).
  - (3) An undertaking statement (Form 3).
  - (4) Shareholding or controlling rights structure.
5. The same concerned party shall jointly appoint a person among them as their representative for reporting change in shareholding ownership. If such representative is subsequently changed due to change in ownership, a consent form signed by all parties concerned shall also be submitted when the same concerned party reports change in ownership.
6. The same person or same concerned party who subsequently increases or decreases their shareholding cumulatively by more than one percent (1%) as provided in the latter section of Paragraph 2, Article 16 of the Act shall report such fact to the competent authority by submitting the following documents within ten (10) days from the day of acquisition:
  - (1) A declaration statement (Form 4).
  - (2) A declaration form (Form 5).
  - (3) An undertaking statement (Form 3).
  - (4) Shareholding or controlling rights structure.

7. If the same person or same concerned party who has previously filed an ownership report reports again upon cumulative decrease in shareholding by more than one percent (1%), and thereby holds less than five percent (5%) of shares, such same person or same concerned party is exempted from reporting subsequent increases in shareholding, provided their total shareholding does not exceed five percent (5%).
8. In the case where the same person or same concerned party and a third party jointly hold shares of a financial holding company under a written agreement pursuant to Paragraph 4, Article 16 of the Act, such written agreement shall also be enclosed when the same person or same concerned party files a report with the competent authority according to Point 4 or Point 6 herein.
9. If the required reporting is not filed by the forms attached, or if inadequate or erroneous information is provided, the same person or same concerned party will be notified to make correction within a prescribed period of time. Failing to comply with the notification accordingly will be deemed as nonfiling.
10. When filing the ownership report with the competent authority, the same person or same concerned party should send a copy of the same except the shareholding or controlling rights structure to the financial holding company concerned.
11. Where the same person or same concerned party files a report

within six (6) months pursuant to Paragraph 9, Article 16 of the Act, Points 2 through 4 and Points 8 through 10 of these Instructions shall apply *mutatis mutandis*.

12. The same person or same concerned party who reported in accordance with these Instructions before the effective date of Point 2, Point 4, Point 6, and Point 10 amended and promulgated on December 25, 2019, and still singly, jointly, or collectively hold more than five percent (5%) of the outstanding voting shares of the financial holding company on the effective date shall submit documents and report to the Competent Authority again within ten (10) days after the effective date.