

# **Regulations Governing Small Amount Remittance Services for Foreign Migrant Workers**

## **Chapter 1 General Provisions**

Article 1 These Regulations are enacted pursuant to Paragraph 4, Article 4 of the Act Governing Electronic Payment Institutions (hereinafter referred to as the "Act").

Article 2 Small amount remittance services for foreign migrant workers are governed by these Regulations. Foreign exchange related services that are not prescribed in these Regulations are required to comply with relevant regulations set by the Central Bank.

Article 3 The terms used in these Regulations are defined as followings:

1. Foreign migrant workers: A foreigner that is employed to engage in the works specified in Subparagraph 8 to 11, Paragraph 1, Article 46 of the Employment Service Act and hold a valid alien residence certificate issued by the Ministry of the Interior.

2. Small-amount remittances services for foreign migrant workers: The outbound remittance and related foreign exchange purchase and sale services that foreign migrant workers transfer their wages to their home countries. The remittance services are based on non-real transactions payment instructions and subject to a certain amount.
3. Foreign migrant worker remittance company: The operator that organized as companies limited by shares and has granted the approval by the competent authority for engaging in foreign migrant workers remittance services.
4. Foreign migrant worker remittance institutions shall mean the following institutions:
  - (1) Foreign migrant worker remittance companies.
  - (2) Banks and electronic payment institutions approved by the competent authority for concurrently engaging in foreign migrant

workers remittance services.

5. Offshore remittance institutions: The institutions that operate remittance services outside the Republic of China under the laws and regulations of other countries or regions (including Mainland China).
6. Foreign currencies: Currencies issued by foreign countries, Mainland China, Hong Kong, or Macao.

Where a foreign migrant worker remittance company defined under the Subparagraph 3 of the preceding paragraph is a branch of a foreign company in Taiwan, its headquarters shall be approved for operating remittances services under its local laws and regulations.

Article 4 A foreign migrant worker remittance company shall be permitted and granted a business permission certificate from the competent authority before it commences business.

The validity period of the business permission certificate specified in the preceding paragraph shall be three years; the said period is the same when applying for the expiring certificate renewal. Except as otherwise provided

by these Regulations.

## Chapter 2 Application and Permission

Article 5 A foreign migrant worker remittance company's paid-in capital, operating capital for Taiwan branch, and allocated operating capital shall comply with the following requirements:

1. For a specified foreign migrant worker remittance company that engages in foreign migrant workers remittance service only, its minimum paid-in capital or operating capital for Taiwan branch shall be NT\$100 million.
2. A foreign migrant worker remittance company that concurrently engages in foreign migrant workers remittance service shall allocate operating capital no less than NT\$100 million and exclusively for operating foreign migrant workers remittance services.

The competent authority may adjust the minimum paid-in capital, operating capital for Taiwan branch, and

allocated operating capital in the preceding paragraph commensurate with socioeconomic circumstances and actual needs.

Article 6 The responsible person of a foreign migrant worker remittance company must not be in any of the following situations:

1. Conditions specified in Article 30 of the Company Act.

2. Having been sentenced to imprisonment for violating the Act, Banking Act, Financial Holding Company Act, Trust Enterprise Act, Act Governing Bills Finance Business, Financial Assets Securitization Act, Real Estate Securitization Act, Insurance Act, Securities and Exchange Act, Futures Trading Act, Securities Investment Trust and Consulting Act, Foreign Exchange Control Act, Credit Cooperatives Act, Agricultural Finance Act, Farmers' Association Act, Fishermen's Association Act, Money Laundering Control Act,

Counter-Terrorism Financing Act, or other laws governing financial activity, and the sentence has not yet executed, not been completed, or five years have not elapsed since the date of sentence completion, the expiration of probation period, or the pardon of such punishment.

3. Five years have not elapsed since been replaced or discharged from duties by the competent authority's or related authorities' order for violating the Act, Banking Act, Financial Holding Company Act, Trust Enterprise Act, Act Governing Bills Finance Business, Financial Assets Securitization Act, Real Estate Securitization Act, Insurance Act, Securities and Exchange Act, Futures Trading Act, Securities Investment Trust and Consulting Act, Credit Cooperatives Act, Agricultural Finance Act, Farmers' Association Act, Fishermen's Association Act, or other laws governing financial activity.

Where the responsible person of a foreign migrant worker remittance company has any of the situations specified in the preceding paragraph after it has been permitted by the competent authority for operating foreign migrant workers remittance service, the competent authority may order the foreign migrant worker remittance company to replace such responsible person within a specified period. Where the company fails to replace the responsible person within the specified period, the competent authority shall abolish the permission for the foreign migrant worker remittance services.

Article 7 Where an institution other than a bank or an electronic payment institution applies for operating foreign migrant workers remittance service, it shall submit two copies of the following documents to apply for permission to the competent authority:

1. An application form.
2. Supporting documents of company registration, Articles of Incorporation, and list of directors and

supervisors.

3. The responsible person's written declaration that he or she has no situations listed in the preceding article.
4. A business plan.
5. A CPA-certified description of settlement and clearing mechanisms for foreign migrant workers remittance businesses.
6. A CPA-certified description of safeguard mechanism for funds received from foreign migrant workers remittance services and trust agreement, performance guarantee agreement or templates therefor.
7. CPA-certified anti-money laundering and anti-terrorism financing mechanisms, customer due diligence measures, and continuous review mechanisms. The CPA's opinion and examination report shall also be submitted.
8. Description of the information system and security



management operations, supporting documents for passing the implementation and qualification tests based on the "Mobile App Basic Information Security Inspection Standards" of the Industrial Development Bureau, Ministry of Economic Affairs, and a third-party penetration test report.

9. Agreements or templates prescribing the migrant workers' rights and obligations and mobile APPs presented in languages which migrant workers use shall be reviewed by a lawyer or certified by a notary to ensure they are consistent with Chinese version; A lawyer's legal opinion is required after reviewing if the Chinese version of the agreement is in accordance with the principles to treat clients fairly.
10. Supporting documents for qualifications of proposed offshore remittance institutions, that the company plans to cooperate with, are in accordance with these Regulations.

11. Other documents required by the competent authority.

The format of the business plan specified in Subparagraph 4 of the preceding paragraph, and supporting documents specified in Subparagraph 10 of the preceding paragraph shall be prescribed by the competent authority.

Where an institution applies for concurrently engaging in foreign migrant workers remittance services under the Paragraph 1, it shall submit supporting documents for the allocated operating capitals in accordance with regulations set in Paragraph 1 of Article 5.

The foreign migrant worker remittance company shall apply for renewal of its business permission to the competent authority four months before the permit expires, providing along with the documents specified in Subparagraph 1 to 4 and Subparagraph 11 of Paragraph 1.

The competent authority should consult the Central Bank before granting permits under Paragraph 1 and the preceding paragraph.

The granted renewal of the business permits by the competent authority will become effective on the day next to the expiry date of the original business license. Nevertheless, where the expiry period of the renewed business permit is affected due to reasons such as incomplete required documents, the renewal shall still be effective on the day next to the expiry date of the original business license, but the competent authority may consider to shorten the validity period of the renewed business permit, depending on the submission of further documents required.

The competent authority may set a ceiling on the number of foreign migrant worker remittance companies based on domestic economic and financial development.

Article 8 Where an institution other than a bank or an electronic payment institution applies for engaging in foreign migrant workers remittance services, or where a foreign migrant worker remittance company applies for the renewal of its business permit, the competent authority may reject its application under any of the following situations:

1. Any of its paid-in capital, operating capital for Taiwan branch, or allocated operating capital does not meet the requirements in Article 5 herein.
2. The application documents make false statements or misrepresentation.
3. The applicant fails to provide further documents or complete corrective actions required within the period specified by the competent authority.
4. The business plan lacks specifics or its implementation is apparently difficult.
5. The applicant fails to apply for the renewal of the business permits within the period specified in Paragraph 4 of the preceding article.
6. The applicant violates related regulations herein but fails to complete corrective actions within the period specified by the competent authority.
7. There are other concerns regarding the applicant being unable to operate foreign migrant workers remittance services soundly.

Article 9 If it is found after a foreign migrant worker remittance company has been granted a permit that its application for business permit contains false information or misrepresentation a serious nature, the competent authority should revoke the granted permit and business permission certificate, and order the institution to turn in its business permit within a specified period, or cancel its business permit if the institution fails to turn in the permit within the specific period.

Article 10 After a foreign migrant worker remittance company obtains the permit and business permission certificate from the competent authority, it shall apply for changing information of its registration to the company registration agency and list the foreign migrant workers remittances service as its business before it commences operations. It shall also notify the competent authority in writing within three business days from the date it commences operations.

Article 11 Where a bank or an electronic payment institution applies for concurrently engaging in foreign migrant workers

remittance services, it shall meet the following requirements:

1. A bank shall be approved for operating domestic and international remittances by the competent authority, or an electronic payment institution shall be approved for domestic and international remittances by the competent authority.
2. Where the applicant is a bank, it shall have not accumulated a loss which is more than one third of its paid-in capital in the most recent year; where the applicant is an electronic payment institution, it shall have not accumulated a loss which is more than one half of its paid-in capital in the most recent year, or where such situations occurred but have been rectified.
3. The applicant has not been penalized for violation of anti-money laundering and countering terrorism financing regulations, or remittances discrepancies; or where such conditions occurred

but have been rectified, and the remedial actions have been recognized by the competent authority.

Where a bank or an electronic payment institution applies for concurrently engaging in foreign migrant workers remittance services, it shall file two copies of the following documents to the competent authority for reference within five business days of the date of commences operation:

1. An application form.
2. A declaration of compliance with regulations in the preceding paragraph.
3. Resolutions of the board of directors or board of managing directors' meeting stating consent for concurrently engaging in foreign migrant workers remittance services.
4. The business plan.
5. Agreements or templates prescribing the migrant workers' rights and obligations and mobile APPs

presented in languages which migrant workers use shall be reviewed by a lawyer or certified by a notary to ensure they are consistent with the Chinese version; A lawyer's legal opinion is required after reviewing if the Chinese version of the agreements is in accordance with the principles to treat clients fairly.

6. Supporting documents for qualifications of proposed offshore remittance institutions, that a bank or an electronic payment institution plans to cooperate with, are in accordance with these Regulations.

7. Other documents as required by the competent authority.

The format of the business plan specified in Subparagraph 4 of the preceding paragraph, and supporting documents specified in Subparagraph 6 of the preceding paragraph shall be prescribed by the competent authority.

The competent authority should consult the Central



Bank before making reference to a filed application herein of the Paragraph 2.

### Chapter 3 Business Management

Article 12 When a foreign migrant worker remittance company provides the foreign migrant workers remittance services, the value of each remittance by a foreign migrant worker may not exceed NT\$30,000 or its equivalent; the cumulative monthly remittance amount may not exceed NT\$50,000 or its equivalent; and the cumulative annual remittance amount may not exceed NT\$400,000.

Article 13 A foreign migrant worker remittance company shall declare trust in full or obtain full guarantee from a bank for the remittance payment funds collected from foreign migrant workers when providing the foreign migrant workers remittance services.

The foreign migrant worker remittance company shall open an NTD and foreign currency dedicated deposit account exclusively for foreign migrant workers remittance services in a bank. The sources of funds for the

NTD dedicated deposit account shall be limited to the remittances collected in the foreign migrant workers remittance services; the sources of funds for the foreign currency deposit account shall be limited to the foreign exchange purchased with funds in the NTD deposit account.

The regulations in the preceding two paragraphs shall apply mutatis mutandis to electronic payment institutions that concurrently engage in foreign migrant workers remittance services.

Article 14 A foreign migrant worker remittance institution shall establish mechanisms for verifying the identity of foreign migrant workers, monitoring transactions, and continuous reviews in accordance with these Regulations when engaging in the foreign migrant workers remittance services.

A foreign migrant worker remittance institution shall verify the identity of foreign migrant workers when they register the accounts and retain the information obtained

from the identity verification procedures. When the foreign migrant worker engages in exchange transactions, the said institution shall also implement transaction related control which includes verifying the recipient and monitoring transaction patterns.

The foreign migrant worker remittance institution shall review the watch-list of foreign migrant workers who are not be located when foreign migrant workers register for services conduct monthly review after registration.

The retention period for data obtained in the foreign migrant worker identity verification process referred to in Paragraph 2 shall be at least five years after the termination of the business relationship.

The institution shall request at least the following identity information when conducting the foreign migrant worker identity verification process and verify its authenticity:

1. Name, date of birth, and nationality.
2. The alien residence certificate.

### 3. Mobile phone number.

The foreign migrant worker remittance institution shall retain the records of foreign migrant workers remittance transactions for at least five years after the termination or completion of transaction.

When providing the foreign migrant workers remittance services, the foreign migrant worker remittance institution shall keep remittances related information confidential, except as otherwise provided by law or other regulations stipulated by the competent authority.

Article 15 A foreign migrant worker remittance company shall apply for approval to the competent authority for any of the following matters:

1. Outsourcing operations to others.
2. Changes in matters registered on the business permission certificate.
3. Changes in proposed offshore partner remittance institutions.
4. Other matters that require approval as stipulated by

the competent authority.

A foreign migrant worker remittance company shall meet the following requirements when applying for approval in accordance with Subparagraph 1 of the preceding paragraph:

1. Ensure that the outsourced service providers meet requirements in these Regulations.
2. Require the outsourced service providers to comply with the mandatory or prohibitory provisions of laws.
3. Require the outsourced service providers to agree to give the competent authority and the Central Bank access to data or reports relating to the outsourced operation and allow them to conduct financial examinations.
4. The company issuer shall be held jointly liable as provided by law for foreign migrant workers whose interests are damaged by the intentional act or negligence of an outsourced service

provider or its employees.

Where an electronic payment institution concurrently provides foreign migrant workers remittance services, it shall file any change specified in Subparagraph 3, Paragraph 1 to the competent authority for reference within five business days since the date of the change.

Article 16 When providing the foreign migrant workers remittance services, the foreign migrant worker remittance company shall disclose the following important information when a foreign migrant worker registers and conducts remittance transactions:

1. Name and contact information of the foreign migrant worker remittance company.
2. Business permission certificate number and validity period.
3. Exchange rate and the referred published exchange rate of the bank.
4. The name of the financial institution where the company declare trust in full or obtains full

guarantee in accordance with Article 13.

5. Other matters that shall be disclosed as required by the competent authority.

The regulations in Subparagraph 3 and 4 of the preceding paragraph shall apply *mutatis mutandis* to electronic payment institutions that concurrently engage in foreign migrant workers remittance services.

Article 17 A foreign migrant worker remittance company that concurrently provides foreign migrant workers remittance services shall have an independent accounting system and shall assign dedicated personnel to implement the identity verification, customer services, and anti-money laundering and counter terrorism financing procedures when providing the foreign migrant workers remittance services.

The foreign migrant worker remittance company shall, within six months after the end of each fiscal year, prepare a business and financial report for the foreign migrant

workers remittance services. The report shall be submitted to the competent authority for reference after it is passed by the Board of Directors.

The scope of the financial report specified in the preceding paragraph is as follows:

1. Balance sheet;
2. Income statement;
3. Statements of changes in shareholders' equity;
4. Cash flow statement;
5. Other statements required by the competent authority.

Article 18 A Foreign migrant worker remittance institution shall file business related information in accordance with the regulations to the competent authority and the Central Bank.

Where a non-bank foreign migrant worker remittance institution processes matters related to the declaration of foreign exchange receipts and disbursements or transactions while engaging in foreign migrant workers



remittance services, it shall submit an application in its own name along with supporting documents such as the business permission certificate or consent for reference letter issued by the competent authority to a bank for filing the declaration of foreign exchange settlement in accordance with the Regulations Governing the Declaration of Foreign Exchange Receipts and Disbursements or Transactions.

Article 19 The competent authority may at any time dispatch officers or appoint a suitable agency to examine the business, finance or other relevant businesses of a foreign migrant worker remittance institution, or order the foreign migrant worker remittance institution to submit a financial report, inventory of property, or other relevant information and reports within a specified period.

If deemed necessary, the competent authority may designate or request the foreign migrant worker remittance institution to appoint professional experts or technical personnel to inspect the operations, reports or information

subject to examination according to the preceding paragraph, and submit an inspection report to the competent authority. The expenses thus incurred shall be borne by the institution being inspected.

Article 20 A foreign migrant worker remittance institution shall comply with the Regulations Governing Anti-Money Laundering of Financial Institutions and Regulations Governing Internal Audit and Internal Control System of Anti-Money Laundering and Countering Terrorism Financing of Banking Business and Other Financial Institutions Designated by the Financial Supervisory Commission when providing foreign migrant workers remittance services.

#### Chapter 4 Supplementary Provisions

Article 21 A foreign migrant worker remittance institution shall join a trade association designated by the competent authority or the Electronic Payment Committee of the Bankers Association of the Republic of China before commencing operation.

Article 22 The Regulations shall enter into force on July 1, 2021.