

Regulations Governing Qualification Requirements and Concurrent Serving Restrictions and matters for Compliance by the Responsible Persons of a Specialized Electronic Payment Institution

Article 1 These Regulations are enacted pursuant to Paragraph 2, Article 36 of the Act Governing Electronic Payment Institutions (hereinafter referred to as the "Act").

Article 2 For the purposes of these Regulations, the term "responsible person" mean the chairman, director, supervisor, or any managerial officer of a specialized electronic payment institution.

Article 3 The responsible persons of a specialized electronic payment institution shall have good moral character and must not be in any of the following situations:

1. Having no legal capacity or limited legal capacity, or is subject to the order of the commencement of assistance that has not been revoked yet.
2. Having been convicted of a crime under the Organized Crime Act.

3. Having been sentenced to imprisonment for counterfeiting currency or valuable securities, misappropriation, fraud or breach of trust, and the sentence has not been completed, or ten years have not elapsed since the date of sentence completion, the expiration of probation period, or the pardon of such punishment.
4. Having been sentenced to imprisonment for forging instruments or seals, offence against privacy, usury, impairing the rights of creditors or violating the Tax Collection Act, Trademark Act, Copyright Act or other laws governing industrial or commercial activity, and the sentence has not been implemented or completed, or five years have not elapsed since the date of sentence completion, the expiration of probation period, or the pardon of such punishment.
5. Having been sentenced to imprisonment for embezzlement and the sentence has not been

implemented or completed, or five years have not elapsed since the date of sentence completion, the expiration of probation period, or the pardon of such punishment.

6. 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 been implemented or completed, or five years have not elapsed since the date of sentence

completion, the expiration of probation period, or the pardon of such punishment.

7. Having been adjudicated bankrupt or subject to a court ruling for commencing liquidation procedures, and rights and privileges have not been reinstated.
8. Having been the responsible person of a legal entity at the time such legal entity was adjudicated bankrupt, and five years have not elapsed since the closure of the bankruptcy or the terms of bankruptcy settlement have not yet been fulfilled.
9. Having been denied service by the bills clearing house and the denial status has yet to be removed, or there remains a record of dishonored check(s) due to insufficient funds in three years since the denial status has been removed.
10. Having an ongoing event that seriously damages his or her credit worthiness or five years have not elapsed since the closure of such an event.

11. Five years have not elapsed since being replaced or discharged from duties by order of the competent authority due to a violation 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.

12. Having been ordered to perform compulsory labor due to the offense of larceny or receiving stolen property, and the sentence has not been implemented or completed, or five years have not elapsed since the sentence completion.

13. There is factual proof that the person has engaged in

or been involved in, other dishonest or improper activities which indicate that she/he is unfit to serve as a responsible person of a specialized electronic payment institution.

Article 4 Where the specialized electronic payment institution's paid-up capital reaches NTD 2 billion, the chairperson may not act concurrently as the general manager. However, this restriction does not apply under any of the following conditions if the competent authority provides approval:

1. Where the chairpersons or general manager resigns and can no longer perform duties;
2. Where the chairpersons or general manager is replaced or dismissed by the competent authority;
3. Where the chairpersons or general manager is subject to other major incidents and can no longer perform duties;

Where the specialized electronic payment institution applies to the competent authority to allow the chairpersons to act concurrently as the general manager based on the

proviso in the preceding paragraph, the competent authority may approve a maximum period of three months in which the chairpersons may act concurrently as the general manager. The specialized electronic payment institution may apply to the competent authority for one extension one month prior to the expiry of the period.

The responsible persons of a specialized electronic payment institution shall not hold any position concurrently at any position of the institution below, unless such establishment has an investment relationship with the specialized electronic payment institution:

1. Another electronic payment institution.
2. An institution having financial or business dealings with the specialized electronic payment institution and the dollar amount involved reaches more than thirty percent (30%) of the specialized electronic payment institution's business revenue from the previous year.

Where an institution mentioned in Subparagraph 2 of

the preceding paragraph hereof has any of the following situations, the responsible person of an establishment may act concurrently as a director or supervisor of the specialized electronic payment institution:

1. A shareholder of the specialized electronic payment institution;

2. An affiliated enterprise of the specialized electronic payment institution;

3. A shareholder of the specialized electronic payment institution's parent company that fully owns the specialized electronic payment institution; or

4. An affiliated enterprise of the specialized electronic payment institution's parent company that fully owns the specialized electronic payment institution.

The manager of a specialized electronic payment institution shall not concurrently hold any paid position at another company or institution, except for acting concurrently as a director or supervisor of a subsidiary of the

specialized electronic payment institution.

Where a specialized electronic payment institution violates the restrictions on concurrent posts in Paragraph 1 to Paragraph 3 and preceding paragraph, the competent authority shall order the specialized electronic payment institution to make adjustment within a prescribed period of time; the responsible persons shall be dismissed when the electronic payment institution fails to adjust within the time period and without justifiable reason.

If the government or a juridical person is a shareholder of the specialized electronic payment institution, the regulations in the preceding article, Paragraph 1 to Paragraph 4, and the preceding paragraph shall apply *mutatis mutandis* to its authorized representative or other natural individual(s) designated by it to serve as a director or a supervisor on its behalf.

Article 5 The concurrent holding of positions and the number of concurrently held positions of the responsible persons of a specialized electronic payment institution shall be subject to

the principle that the responsibilities of the principal position and the concurrent position are both effectively discharged without any conflict of interests or any violation of the respective internal controls of the specialized electronic payment institution. The rights and interests of the users, contracted institutions, and shareholders must also be indeed protected.

Article 6 A specialized electronic payment institution shall appoint one person act as the general manager to handle the general affairs of the company and shall not have another person with the equivalent functionalities. The general manager shall have good personal character, leadership and the ability to effectively manage the specialized electronic payment institution, and possess any one of the following qualifications:

1. Having graduated from a domestic or foreign college or higher, or an equivalent, and with at least five years of experience working in an electronic payment institution(s) or a bank(s), and at least

three years of experience working in the position of manager, higher, or similar position in an electronic payment institution(s) or the head office of a bank(s) with good performance record.

2. Having at least three years of experience working in an electronic payment institution(s) or a bank(s), and at least one year of experience working in the position of vice president, higher, or similar position of an electronic payment institution(s) or a bank(s) with good performance record.
3. Having other experiences sufficing to evidence the possession of leadership ability, professional knowledge of electronic payment institutions or management capability of electronic payment institutions to effectively manage the business of the electronic payment institution.

A person may not act as a general manager of a specialized electronic payment institution until the relevant qualification documents have been submitted to and

approved by the competent authority.

Article 7 A specialized electronic payment institution's vice president, assistant vice president, head office manager or personnel holding comparable positions shall have good moral character, leadership ability, and the ability to efficiently manage specialized electronic payment institutions, and have any one of the following qualifications:

1. Having graduated from a domestic or foreign college, higher, or an equivalent and with at least three years of experience working in an electronic payment institution(s) or a bank(s), and experience working in the position of deputy manager, higher or similar position in an electronic payment institution(s) or the head office of a bank(s) with good performance record.
2. Having at least two years of experience working in an electronic payment institution(s) or a bank(s), and experience working in the position of manager,

higher or similar position of an electronic payment institution(s) or a bank(s) with good performance record.

3. Having at least five years of professional experience working in information science, technology, law, e-commerce, digital economy, finance and accounting, marketing, and human resources, with good performance record.
4. Having other experiences sufficing to evidence the possession of professional knowledge or management capability of electronic payment institutions to effectively manage the electronic payment institution business, and having received a prior approval of the competent authority for such appointment.

Personnel with qualifications specified in Subparagraph 3 and Subparagraph 4 of the preceding paragraph shall only perform tasks that involves their original field(s) of expertise.

Article 8 For those who, prior to the implementation of these Regulations, have already been serving as the general manager, vice president, assistant vice president, manager, or personnel holding comparable positions may continue to serve in their original position or for the duration of their original term, and will not be subject to the restrictions in the two preceding articles.

When a persons is promoted or assigned to one of the positions appointed in the preceding paragraph after the amendment of these Regulations, they shall possess or be in conformance with the qualifications set forth in these Regulations; those who do not have those qualifications shall be dismissed.

Article 9 The spouse, relatives by blood within second degree of kinship, or relatives by marriage within first degree of kinship of the supervisor of a specialized electronic payment institution may not hold a position of director or manager in the same specialized electronic payment institution.

The preceding paragraph also applies to the natural

person representing government or a juridical person.

If a specialized electronic payment institution does not comply with the provisions of the two preceding paragraphs before the promulgation of these Regulations, it shall make adjustment to become compliant within six months after the promulgation of these Regulations.

Article 10 A specialized electronic payment institution's board of directors is held responsible for the appointment of managers and making sure that the appointed managers meet the qualification requirements. The board of directors is also held responsible for overseeing the maintenance of eligibility and suitability of managers in their positions.

Article 11 The chairman of a specialized electronic payment institution shall have good moral character and must possess any one of the following qualifications:

1. Having at least three years of experience working in an electronic payment institution(s) or a bank(s), and experience working in the position of deputy manager, higher or equivalent position

of an electronic payment institution(s) or a bank(s) with good performance record.

2. Having at least five years of experience working in financial administration or management, and having held the position of civil service recommended appointment grade 8, higher or equivalent with good performance record.
3. Having at least two years of experience working in an electronic payment institution(s) or a bank(s), and experience working in the position of manager, higher or equivalent position of an electronic payment institution(s) or a bank(s) with good performance record.
4. Having other experiences sufficing to evidence the possession of professional knowledge or management capability of electronic payment institutions to effectively manage the electronic payment institution business.

A specialized electronic payment institution shall

submit the qualification documents of its chairman to the competent authority for permit within ten days of his/her election. The competent authority may order the specialized electronic payment institution to make adjustments within a prescribed period of time if the qualification of the chairman is disapproved.

Where a specialized electronic payment institution has questions over the application of Subparagraph 4 of Paragraph 1 hereof to its chairman, the specialized electronic payment institution may seek the prior permit of the competent authority in advance before electing the chairman to the office.

Where the term of the chairman of the specialized electronic payment institution has not yet expired at the time of the promulgation of the Regulations, the provisions of the three preceding paragraphs shall come into force only after the chairman's term has expired.

Article 12 For a non-electronic payment institution that has been approved by the competent authority to become a

specialized electronic payment institution, the experience of its personnel working in said non-electronic payment institution shall be deemed as experience working in an electronic payment institution as provided in Article 6, Article 7, and the preceding article.

The work experience of personnel in an electronic stored value cards issuers approved by the competent authority before the amendment of the Act becomes effective on July 1, 2021 shall be deemed as experience working in an electronic payment institution as provided in Article 6, Article 7, and the preceding article.

Article 13 To verify the eligibility of the responsible persons of a specialized electronic payment institution, the competent authority may order the specialized electronic payment institution to submit necessary documents or data, or order the responsible persons to make explanation in persons within a prescribed period of time.

Article 14 The responsible persons of a specialized electronic payment institution shall attend courses organized by

professional training institutions. The training hours are as follows:

1. A newly appointed persons shall complete a minimum of 12 hours of training in the year when such persons is appointed, and a minimum of 6 hours per year in each following year.
2. A re-appointed persons shall complete a minimum of 6 training hours per continuing year during the term of reappointment. However, if during the given year, the persons has served as an instructor in a professional training institution and met requirements for completing a minimum of 12 hours of training in the year when such person is appointed firstly as specified in the preceding subparagraph, then 1 training hour may be deducted each time as the persons instructs a course; the total number of hours deducted shall be limited to 3 hours.
3. Training hours shall be calculated on a progressive

basis, counting, in principle, from January 1 to December 31 for the given year. This requirement does not apply in cases of special circumstances or where cross-year calculation is necessitated by the curriculum design.

The scope of training for the responsible persons of a specialized electronic payment institution shall include courses on corporate governance related topics such as finance, risk management, commerce, legal affairs, accounting, corporate social responsibility, internal control system, financial reporting responsibility, and anti-money laundering and counter terrorism financing.

The term "professional training institution" specified in Paragraph 1 shall mean a training institution recognized as such in accordance with the Guidelines for Reviewing Training Institutions for Financial Holding Companies and Banking Enterprises.

Article 15 The Regulations shall enter into force on July 1, 2021.