

Content

Title :	Directions for the Local Branch of a Foreign Bank in Providing Information on Opening a Deposit Account with its Head Office or a Head Office-Designated Branch at the Request of Customers <b>Ch</b>
Date :	2010.08.24
Legislative :	1.Promulgated on November 30, 2004 2.Amended on August 24, 2010
Content :	<p>1. The term “information on opening a deposit account” as used in these Directions shall mean:</p> <p>(1) Application form and relevant documents for opening a deposit account;</p> <p>(2) Instructions on how to complete an application form for opening a deposit account; and</p> <p>(3) Information on the calculation of interest on the deposit and income derived thereof.</p> <p>2. A local branch of a foreign bank may, at the request of its customers, provide information on opening a deposit account with the bank’ s head office or a head office-designated branch.</p> <p>The head office referred to in these Directions shall mean the head office or the headquarters of a foreign bank branch in Taiwan.</p> <p>A head office-designated branch referred to in these Directions shall mean:</p> <p>(1) A branch in a foreign bank’ s home country designated by the head office or headquarters of the bank, provided the head office or the headquarters does not engage in business activities; or</p> <p>(2) A branch in another country designated by the head office or headquarters of a foreign bank with approval from the Financial Supervisory Commission, Executive Yuan (hereinafter referred to as the “FSC” ), provided the head office or the headquarters does not engage in business activities and does not have any branch in its home country that engages in business activities.</p> <p>3. A local branch of a foreign bank may not use any means, including advertisements, promotions, counter displays, public notices and mailings, to solicit customers to request information on opening a deposit account with its head office or a head office-designated branch. .</p> <p>4. After providing a customer with information on opening a deposit account with its head office or a head office-designated branch, a local branch of a foreign bank may not fill in the application form on behalf of the customer, process or approve the application for opening such an account on behalf of the head office or the head office-designated branch, or receive deposits on behalf of the head office or the head office-designated branch, or forward the account opening application on behalf of the customer.</p> <p>5. When a local branch of a foreign bank provides a customer with information on opening a deposit account with its head office or a head office-designated branch upon request, the branch shall expressly inform the customer whether or not the deposit account is covered by deposit insurance and that such deposit account is not covered by the deposit</p>

insurance of the ROC.

6. When a local branch of a foreign bank provides a customer with information on opening a deposit account with its head office or a head office-designated branch upon request, the branch shall produce a "Customer Statement" in duplicate with a format as shown in Attachment 1, and ask the customer to sign the statement and retain the statement for at least five years.

7. A local branch of a foreign bank may not aid its head office, any branch institution or affiliated enterprise under its head office that is situated outside the ROC, or any other foreign institution without approval of the competent authorities in soliciting customers to open an overseas deposit account or absorbing funds inside the ROC by providing business premises, holding seminars or forums, arranging business visits, verifying customer's identity or other means.

Employees of a local branch of a foreign bank shall not sign any form of contract or agreement with its head office, any branch institution or affiliated enterprise under its head office that is situated outside the ROC, or any other foreign institution without approval of the competent authorities to engage in activities prohibited in accordance with the preceding paragraph.

8. A local branch of a foreign bank shall inform the chief auditing officer of its head office to diligently supervise the overseas affiliated banks or other units under the head office management to make sure that they are free of the practice of sending personnel to the ROC to solicit the local customers to open a foreign deposit account or absorb funds.

The head office of a foreign bank's local branch is required to issue a written document with a format as shown in Attachment 2, undertaking that it has established effective internal control systems to ensure that all of its branches or affiliated enterprises inside and outside the ROC are free of practice that violates the provisions in these Directions.

9. The head office of a foreign bank that already has branches established in the ROC shall issue the statement provided in the second paragraph of the preceding point before December 31, 2010.

The provisions in Point 7 and Point 8 herein shall apply mutatis mutandis to subsidiaries and representative offices of foreign banks in Taiwan.