

Content

Title : Directions Concerning Compliance with the Paragraph 1, Article 139-1 of Insurance Act Regarding the Reporting for Holding the Issued Shares with Voting Rights [Ch](#)

Date : 2011.01.21

Legislative : 1.(a total of 11 points promulgated per order of Financial Supervisory Commission No. Jin-Guan-Bao-Li-Zi-10002540706 dated January 21, 2011 and in force on the date of promulgation)

Content : 1. These Directions are set out for the purposes of implementing the provisions in Paragraph 1, Article 139-1 of Insurance Act (referred to as "the Act" hereunder) to enhance the transparency of the ownership of insurance companies and strengthen the administration over the shareholders of insurance companies.

2. The same person or the same related party who singly, jointly or collectively acquires more than 5 percent of the total outstanding voting shares of an insurance company, or such same person or same related 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 Directions.

3. The term "acquisition of outstanding voting shares" mentioned in these Directions 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 or capital decrease, the date of acquisition shall be the ex-right record date or the record date of issue of new shares.
- (2) If the shares are acquired through payment for cash capital injection or purchase of treasury stocks, 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 subscription payment.
- (4) 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.
- (5) If the shares are acquired through employee stock options, the date of acquisition shall be the date the acquired shares are delivered.
- (6) If the shares are acquired through inheritance, the date of acquisition shall be the date the title of the shares is transferred.
- (7) If the shares are acquired through gift, assignment between individuals or other means, the date of acquisition shall be the actual date of transaction.

4. The same person or the same related party who singly, jointly or collectively acquires more than 5 percent of the total outstanding voting shares of an insurance company 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).

5. When the same related party reports shareholding ownership, they shall jointly appoint a person among them as their representative for reporting purpose. If the representative is subsequently changed, a consent form signed by all parties concerned shall also be submitted when the same related party reports change in shareholding in accordance with these Directions for the first time after the change of representative.

6. When the same person or the same related party who subsequently increases or decreases their shareholding cumulatively by more than one percent (1%) as provided in the latter section of Paragraph 1, Article 139 of the Act, their representative and the related party who changes his/her shareholding shall report to the competent authority by submitting the following documents within ten (10) days from the day of acquisition:

- (1) A change declaration statement (Form 4).
- (2) A change declaration form (Form 5).
- (3) An undertaking statement (Form 3).

7. If the same person or the same related party who has previously filed a shareholding report reports again upon cumulative decrease in shareholding by more than 1 percent, and thereby holds less than 5 percent of shares (in an insurance company), such same person or same related party is exempted from reporting subsequent increases in shareholding, provided their total shareholding does not exceed 5 percent.

8. In the case where the same person or the same related party and a third party jointly hold shares of an insurance company under a written agreement pursuant to Paragraph 3, Article 139-1 of the Act, such written agreement shall also be enclosed when the same person or same related 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 the same related party will be notified to make correction within a given period of time. Failing to make correction accordingly will be deemed as nonfiling.

10. When filing the shareholding report with the competent authority, the same person or the same related party should meanwhile send a copy of the same to the insurance company concerned.

11. Where the same person or the same related party files a report within six (6) months pursuant to Paragraph 4, Article 139-1 of the Act, Points 2 through 4 and Points 8 through 10 of these Directions shall apply mutatis mutandis.