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| Title :       | Directions for Incorporation Registration and Amendment Registration for Incorporated Certified Public Accountant Firms <b>Ch</b>  |
| Date :        | 2008.05.16   |
| Legislative : | 1. Full text of 9 articles adopted and issued per 16 May 2008 Order No. Financial-Supervisory-Securities-VI-0970020093 of the Financial Supervisory Commission, Executive Yuan; for immediate enforcement  |
| Content :     | <p>1. Full text of 9 articles adopted and issued per 16 May 2008 Order No. Financial-Supervisory-Securities-VI-0970020093 of the Financial Supervisory Commission, Executive Yuan; for immediate enforcement</p> <ol style="list-style-type: none"><li>1. These Directions are adopted to govern the handling of matters in connection with the registration of incorporation of, and registration of amendments to, incorporated CPA firms pursuant to Article 26, paragraphs 1 and 2 of the Certified Public Accountant Act (the "CPA Act").</li><li>2. To register the incorporation of an incorporated CPA firm, an application, with the following attachments, shall be submitted to the Financial Supervisory Commission (FSC), Executive Yuan, for approval.<ol style="list-style-type: none"><li>(1) Application form (format shown in Attachment 1).</li><li>(2) Articles of incorporation.</li><li>(3) Documents certifying the authorized capital.</li><li>(4) Professional liability insurance enrollment policy, a statement explaining that the amount of coverage meets the requirements set forth in Article 31, paragraph 2 of the CPA Act, and documents obtained from an insurer certifying its agreement to underwrite.</li><li>(5) Promoters meeting minutes, list of promoters and directors (format shown in Attachment 2).</li><li>(6) Statement that the promoters are free of any of the circumstances set forth in Article 6 and Article 25, paragraph 2 of the CPA Act.</li><li>(7) List of auditing assistants.</li><li>(8) Written business plan: including equity structure, business operations policy, internal organization and segregation of duties, recruitment and training of auditing assistants, and plans for future development.</li><li>(9) Internal control system (which shall include at least the quality control system, independence policy, risk management mechanisms, management of branches, and establishment of supervisory units).</li><li>(10) Photocopy of the deed or lease for the business place.</li><li>(11) Letter issued by the National Federation of Certified Public Accountants Associations of the R.O.C. certifying pre-examination of the name of the firm.</li><li>(12) Statement that there is no misrepresentation or concealment in the application documents (format shown in Attachment 3).</li><li>(13) Other documents as required for submission by the FSC.</li></ol></li></ol> <p>The application under the preceding paragraph shall be submitted in the name of the preparatory office of the incorporated CPA firm, and shall be jointly signed or sealed by all of the promoters of the firm. If upon</p> |

review the application is found to comply with requirements, the FSC shall issue a certificate of registration of the incorporated CPA firm.

If a branch is to be established at the same time, the documents set forth in Point 3, paragraph 1, items 4 to 8 shall be attached together with the application to apply to the FSC for registration of the branch.

3. To establish a branch, an incorporated CPA firm shall, within 10 days from the date of the resolution for its establishment, apply to the FSC for registration, submitting the following documents:

- (1) Application form (format shown in Attachment 4).
- (2) Articles of incorporation.
- (3) Documents certifying the resolution by the decision-making unit specified in the articles of incorporation.
- (4) List of CPAs of the branch.
- (5) List of auditing assistants of the branch.
- (6) Photocopy of the deed or lease of the business place of the branch.
- (7) Statement of compliance with Article 16 of the CPA Act.
- (8) Other documents as required for submission by the FSC.

If upon review the application is found to comply with requirements, the FSC shall issue a certificate of registration for the branch of the incorporated CPA firm.

4. If an incorporated CPA firm merges or consolidates with another incorporated CPA firm, it shall, within 10 days from the date of consent by the shareholders, apply to the FSC for registration, submitting the application form and attachments as follows:

- (1) Application for merger or consolidation [collectively, "merger"] (format shown in Attachment 5).
- (2) Merger plan: specify matters including the type of merger, an evaluation of the economic benefit, practice territory following the merger, content of business operations, and plans for future development.
- (3) Merger contract.
- (4) Documentation of the resolutions passed by consent of two-thirds or more of the voting rights of all the shareholders of each of, respectively, the surviving and the non-surviving incorporated CPA firms, the handling of shareholders not consenting to the merger, and the balance sheet and list of property prepared at the time of the resolution for the merger.
- (5) Supporting documents including the public announcement (or notice) of the content of the resolution for the merger and the particulars required to be stated in the relevant contracts.
- (6) Post-merger articles of incorporation.
- (7) Documents certifying the post-merger authorized capital and the undertaking obtained from an insurer of its agreement to underwrite.
- (8) List of post-merger shareholders and auditing assistants.
- (9) Post-merger internal control system (which shall include at least the quality control system, independence policy, risk management mechanisms, management of branches, and establishment of supervisory units).
- (10) Photocopy of the deed or lease of the business place.
- (11) Other documents as required for submission by the FSC.

For an incorporated CPA firm that is to be newly established through a consolidation-type merger, in addition to complying with the preceding paragraph, the promoters of the incorporated CPA firm that is to be newly

established shall submit the following documents to apply to the FSC for registration of incorporation:

- (1) List of promoters.
- (2) Promoters meeting minutes.
- (3) Articles of incorporation of the incorporated CPA firm that is to be newly established.
- (4) Other documents as required for submission by the FSC.

5. If the incorporated CPA firm or branch will suspend business operations or resume business operations, it shall, within 10 days from the date of the resolution to suspend or resume business operations, complete an application form (format shown in Attachment 6), specifying matters including the date for suspension or resumption of business operations, the reason, and the handling of existing customers, and submit it to the FSC to apply for registration of the suspension or resumption.

6. If an incorporated CPA firm intends to close down a branch that has already been established, it shall, within 10 days from the date of the resolution to close down the branch, submit an application form (format shown in Attachment 7) to the FSC to apply for registration of the closure. Within 10 days after the FSC has granted approval for registration of the closure of a branch established by an incorporated CPA firm, the firm shall return the registration certificate of the branch.

7. If there exists a cause for the dissolution of an incorporated CPA firm under Article 36, paragraph 1 of the CPA Act—with the exception of a merger with another incorporated CPA firm, voidance or revocation by the FSC of its approval of the registration, or an order by the FSC for dissolution—the firm shall, within 10 days from the resolution for dissolution, submit an application form (format shown in Attachment 8) to the FSC to apply for registration of dissolution.

Within 10 days after the FSC has granted approval for registration of the dissolution of the incorporated CPA firm, the firm shall return the registration certificates of the incorporated CPA firm and its branches. An incorporated CPA firm that is dissolved shall conduct liquidation pursuant to the applicable provisions under Article 38, paragraph 2 of the CPA Act.

8. Under any of the following circumstances, an incorporated CPA firm shall, within 10 days from the date of occurrence of the fact, carry out amendment registration (format shown in Attachment 9) with the FSC:

- (1) Change in the name or address of the firm or a branch.
- (2) Change in authorized capital.
- (3) Change in the chairman, or a director, or a branch's responsible person.
- (4) Amendment to the articles of incorporation.

(5) Failure to perform any matter registered in connection with the establishment of a branch, a merger, suspension of business, resumption of business, closure of a branch, or dissolution under Points 3 to 7.

9. Registrations by incorporated CPA firms in connection with any of the following particulars shall be made public by the FSC:

- (1) Name of the incorporated CPA firm.
- (2) Address of the incorporated CPA firm or a branch thereof.
- (3) Names of the chairman, the directors, the responsible persons of

branches, and the shareholders.

(4) Authorized capital.

(5) Other important particulars of registrations.

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Data Source : Financial Supervisory Commission Laws and Regulations Retrieving System