

## Content

Title :	Regulations of Investment Ceilings and Guidelines Governing Financial Holding Company' s Venture Capital Subsidiaries Investing in Non-financial Enterprises Not Listed on Taiwan Stock Exchange or Gretai Securities Market <b>Ch</b>
Date :	2014.10.31
Legislative :	1. Promulgated on June 24, 2009 2. Amended on October 31, 2014
Content :	<p>Article 1</p> <p>These Regulations are set forth pursuant to Paragraph 6, Article 37 of the Financial Holding Company Act (referred to as “the Act” hereunder).</p> <p>Article 2</p> <p>When any venture capital subsidiary of a financial holding company invests in a company not listed on Taiwan Stock Exchange (TWSE) or Gretai Securities Market (GTSM), except for circumstances where higher shareholding applies pursuant to Subparagraph 1, Paragraph 5 of Article 37 of the Act applies, the investment is not subject to the restriction set forth in Paragraph 5, Article 37 of the Act that the combined total shareholding in the invested enterprise (held by the financial holding company and its subsidiaries) shall not exceed fifteen percent (15%) of the total issued and outstanding voting shares of such enterprise, provided the combined total amount of investment does not exceed the following limits and only the venture capital subsidiaries among the financial holding company and its subsidiaries participate in the investment:</p> <p>1.If the invested company belongs to the industries defined in Subparagraphs 1 through 5 and Subparagraphs 8 through 15, Paragraph 1, Article 3 of the Law for the Development of the Cultural and Creative Industries, the total amount of investment does not exceed NT\$150 million.</p> <p>2.If the invested company belongs to the industries other than those mentioned in the preceding subparagraph, the total amount of investment does not exceed NT\$50 million.</p> <p>Article 3</p> <p>A financial holding company shall require its venture capital subsidiaries to set up a separate account for their invested enterprises and document in detail the status of investment. A financial holding company shall also examine regularly the business and financial conditions of its venture capital subsidiaries to effectively grasp and manage its total investment risk.</p> <p>Article 4</p> <p>(Deleted)</p> <p>Article 5</p>

When a non-TWSE or non-GTSM listed company invested by a venture capital subsidiary of a financial holding company in accordance with Article 2 herein is subsequently listed on TWSE or GTSM, the investment shall be subject to the restriction of total combined shareholding being limited to fifteen percent (15%) set forth in Paragraph 5, Article 37 of the Act. If the restriction is not met, the financial holding company shall make adjustment within two (2) years from the record date on which the invested enterprise is listed on TWSE or GTSM. If necessary, the financial holding company may apply for an extension of the deadline once for a period of up to one year.

#### Article 6

These Regulations shall be implemented on the date of promulgation.

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Data Source : Financial Supervisory Commission Laws and Regulations Retrieving System