

Content

Title :	Order on the Interpretation of Paragraph 9, Article 15 of the Regulations Governing Foreign Investments by Insurance Companies Ch
Date :	2014.12.10
Legislative :	Issue date: December 10, 2014 Issue No.: Jin-Guan-Bao-Shou-Zi-10302553001
Content :	<p>1. This order is issued pursuant to Paragraph 9, Article 15 of the Regulations Governing Foreign Investments by Insurance Companies (the "Regulations").</p> <p>2. A life insurance company may adopt the measure provided in Subparagraph 1 or Subparagraph 2, Paragraph 9, Article 15 of the Regulations if its product structure composite score for the most recent year (see attachment for calculation method and currency conversion rules) meets one of the criteria set forth below:</p> <p>(1) The life insurance company's product structure composite score for the most recent year ranks above the 70th percentile of the industry.</p> <p>(2) The life insurance company's product structure composite score for the most recent year increases by 0.1 or more as compared to the previous year.</p> <p>3. A life insurance company that meets the criteria set out in the preceding point the first time shall, within 7 days from the starting date for the one-year application period approved by the Commission, report to the Commission its selected measure as stated in the relevant subparagraph under Paragraph 9, Article 15 of the Regulations for recordation. If the company fails to make a report in time, it shall be deemed that the provision in Subparagraph 2, Paragraph 9, Article 15 of the Regulations applies and the company may not request a change during the application period. For companies that meet the criteria set out in the preceding paragraph other than the first time, the same shall apply. However companies that choose to keep the previously selected measure are not required to report to the Commission for recordation.</p> <p>4. For a life insurance company that originally meets the criteria set out in Point 2 but fails to meet the criteria the following year, the company shall adjust its foreign investment positions in six months from the date the originally approved application period expires and its auditing department should follow up on the adjustment and put the matter under control. Should the company fail to adjust the excess positions within six months, the auditing department shall immediately report to the Commission and submit a written explanation and a concrete remedial plan.</p> <p>5. If a life insurance company is required to adjust its investment positions according to the preceding point, but the company is approved by the Commission to raise its foreign investment limits in the same year pursuant to Paragraph 1 or Paragraph 4, Article 15 of the Regulations, or approved by the Commission to exclude certain amount of foreign investment from the foreign investment limits pursuant to Article 15-2 of the Regulations, the company may carry out its foreign investment according to the latest limits approved by the Commission without being subject to the provisions in the preceding point.</p> <p>6. This order takes effect on January 1, 2015.</p>
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