


Content

Title :	Insurance Act 
Date :	2016.11.09
Legislative :	Amendment to Article 146-5、168 promulgated per Presidential Order No. Hua-Zong-Yi-Zi-10500136231 dated November 9, 2016.
Content :	<p>Article 146- 5 Application shall be made to the competent authority for approval of allocations of insurance enterprise funds to special projects and investments in public utilities and social welfare enterprises. With respect to applications for approval, the competent authority shall prescribe regulations governing required documentation, procedures, scope of and limits upon allocations and investments, and other compliance matters.</p> <p>Where the funds referred to in the preceding paragraph are allocated to investment in corporate stocks, the conditions and percentages related thereto shall not be subject to the restrictions set forth in Article 146-1, paragraph 1, subparagraph 3.</p> <p>Where the funds referred to in paragraph 1, the provisions of Article 146-1, paragraph 3 and 4 shall apply mutatis mutandis.</p> <p>Allocations of insurance enterprise funds to investment in public utilities that meet the following requirements are not subject to the restrictions set forth in the preceding paragraph:</p> <ol style="list-style-type: none"><li>1. Where the insurance enterprise or its representative serves as director or supervisor of the invested company, the number of directors or supervisors appointed by the insurance enterprise shall not exceed one third of the total number of directors or supervisors of the invested company.</li><li>2. The insurance enterprise shall not assign any person to act as manager of the invested company.</li></ol>
Article 168	<p>If an insurance enterprise violates the provisions of Article 138, paragraph 1, 3, or 5, or the provisions relating to business scope in regulations prescribed by the competent authority pursuant to Article 138, paragraph 2, an administrative fine of not less than New Taiwan Dollars nine hundred thousand but not more than four million five hundred thousand shall be imposed.</p> <p>If an insurance enterprise violates the provisions of Article 138-2, paragraph 2, 4, 5, or 7, or Article 138-3, paragraph 1 or 2, or the provisions relating to the amount to be provisioned for the compensation reserve fund and the manner of such provisioning as set out in regulations prescribed by the competent authority pursuant to paragraph 2 of that same article, an administrative fine of not less than New Taiwan Dollars nine hundred thousand but not more than four million five hundred thousand shall be imposed; where the circumstances are severe, the enterprise's permit to engage in insurance trust business may also be revoked.</p> <p>Where an insurance enterprise violates the provisions of Article 143, an administrative fine of not less than New Taiwan Dollars nine hundred thousand but not more than New Taiwan Dollars four million five hundred thousand shall be imposed.</p>

Where an insurance enterprise violates Article 143-5 herein, or the competent authority takes measures in accordance with Article 143-6 herein, an administrative fine of not less than New Taiwan Dollars two million but not more than New Taiwan Dollars ten million shall be imposed.

Where any one of the following circumstances obtains with respect to the funds allocation of an insurance enterprise, an administrative fine of not less than New Taiwan Dollars nine hundred thousand but not more than New Taiwan Dollars four million five hundred thousand shall be imposed, or the enterprise shall be ordered to replace its responsible person; where the circumstances are severe, its business license may also be revoked:

1. A violation of Article 146, paragraph 1, 3, 5, or 7, or the provisions relating to administration and custody of special ledgers or the allocation of investment assets as set out in regulations prescribed by the competent authority pursuant to paragraph 6 of that same article, or a violation of provisions relating to the terms and conditions of derivatives trading by insurance enterprises, the scope thereof, transaction limits, or internal handling procedures as set out in regulations prescribed by the competent authority pursuant to paragraph 8 of that same article.

2. A violation of Article 146-1, paragraph 1, 2, or 3, or the provisions relating to eligibility conditions, scope and type of investments, and investment rules as set out in regulations prescribed by the competent authority pursuant to paragraph 5 of that same article; or a violation of Paragraph 3 or 4 of Article 146-5.

3. A violation of the provisions of Article 146-2.

4. A violation of the provisions of Article 146-3, paragraph 1, 2, or 4.

5. A violation of Article 146-4, paragraph 1 or 2, or the provisions relating to investment rules or investment limits as set out in regulations prescribed by the competent authority pursuant to paragraph 3 of that same article.

6. A violation of the forepart of paragraph 1 of Article 146-5, or of the provisions relating to scope of or limits upon investments as set out in regulations prescribed by the competent authority pursuant to the latter part of that same article.

7. A violation of Article 146-6, paragraph 1 or 2, or the provisions relating to the method of reporting investments as set out in regulations prescribed by the competent authority pursuant to paragraph 3 of that same article.

8. A violation of the provisions relating to limits on loans or other transactions as set out in regulations prescribed by the competent authority pursuant to Article 146-7, paragraph 1, or of the provisions relating to procedures for the adoption of resolutions or limits on transaction size as set out in regulations prescribed by the competent authority pursuant to Article 146-7, paragraph 3.

9. A violation of the provisions of Article 146-9, paragraph 1, 2, or 3.

Where a secured loan made by an insurance enterprise under Article 146-3, paragraph 3 or Article 146-8, paragraph 1 is not fully secured or the conditions are better than those extended to other loanees of the same class, the person responsible for the act shall be sentenced to imprisonment for not more than three years or detention, and in addition may be assessed a criminal fine of not more than New Taiwan

Dollars twenty million.

Where a secured loan made by an insurance enterprise under Article 146-3, paragraph 3 or Article 146-8, paragraph 1 reaches or exceeds the monetary amount prescribed by the competent authority without approval by three-quarters of the directors present at a board of directors meeting attended by at least two-thirds of the directors, or where an insurance enterprise violates the provisions relating to loan limits and aggregate loan balances as set out in regulations prescribed by the competent authority pursuant to Article 146-3, paragraph 3, the person responsible for the act shall be assessed an administrative fine of not less than New Taiwan Dollars two million but not more than New Taiwan Dollars ten million.

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Data Source : Financial Supervisory Commission Laws and Regulations Retrieving System