

Content

Title :	Regulations Governing the Implementation of Internal Control and Audit System and Business Solicitation System of Insurance Agent Companies and Insurance Broker Companies Ch
Date :	2019.03.04
Legislative :	Amended on 4 March 2019 per Order No. Jin-Guan-Bao-Zong-Zi 10804560821 of the Financial Supervisory Commission.

Content : Article 2

Insurance agent companies and insurance broker companies that are public companies or those with annual operating revenue reaching NT\$300 million shall establish internal control and audit system as well as business solicitation system and procedures in the following year.

Banks shall establish internal control, audit system and business solicitation system and procedures in accordance with these Regulations. The operating revenue referred to in these Regulations shall be the operating revenue as defined in Article 5 of the Financial Supervisory Commission Regulations Governing Fee Schedule for Annual Supervision Fee, Examination Fee and Fee Collection.

The term "bank" as used in these Regulations means a bank operating concurrently insurance agent business or insurance broker business with approval of the competent authority.

Article 9

For the purpose of achieving objectives in Article 3 herein, insurance agent companies, insurance broker companies or banks shall adopt the following measures.

1. Internal audit system: Set up the post of auditor to take charge of auditing each unit and periodically evaluating the performance of self-evaluation conducted by each business unit.
2. Self-evaluation system: Members of different units check on each other the actual implementation of internal controls under the supervision of managerial personnel or personnel at comparable position or higher as assigned by each unit to discover deficiencies early and take corrective actions in a timely manner.
3. Independent auditor system: If deemed necessary, the competent authority may order an insurance agent or broker company or a bank to engage a certified public accountant (CPA) to audit its internal control system.
4. Compliance system: Set up the post of compliance officer to take charge of appraising whether business personnel comply with relevant laws and regulations while executing the business.

Article 29

The branch of a foreign insurance agent company or insurance broker company in Taiwan that meets the conditions set out in Paragraph 1 of Article 2 herein shall carry out internal control and audit in compliance with these Regulations. However, if the internal control and audit system and business solicitation system and procedures of the branch are drawn up based on the relevant rules and systems of its head office and such rules are not lower than the standards set out in these Regulations, the branch in Taiwan is allowed to report its situation to the competent authority and carry out internal control and audit according to such systems after the branch has provided detail descriptions of the systems adopted by its head office and a report comparing the head office's systems and the systems provided herein, which is signed by the responsible person of the branch in Taiwan.

Article 31

For an insurance agent company or insurance broker company that has met criteria for annual operating revenue in Paragraph 1, Article 2 and has established internal control and audit system and business solicitation system and procedures, if its operating revenue has not reached the amount set out in Paragraph 1, Article 2 herein for three consecutive years, it may be exempt from these Regulations with the approval of the competent authority.