

## Content

Title : Regulations Governing the Preparation of Financial Reports by Insurance Enterprises [Ch](#)

Date : 2020.03.24

Legislative : Amended on 24 March 2020 per Order Ref. Jin-Kuan-Bao-Tsai 10904907871 of the Financial Supervisory Commission.

Content : Article 17

An insurance enterprise shall separately disclose in the Notes information on the following events between the insurance enterprise and its subsidiaries during the current period, and on parent-subsidiary transactions:

1. Information on significant transactions:

(1) Acquisition of real estate reaching NT\$100 million or 20% of paid-in capital or more.

(2) Disposal of real estate reaching NT\$100 million or 20% of paid-in capital or more.

(3) Transactions with related parties involving main business items reaching NT\$100 million or 20% of paid-in capital or more.

(4) Accounts receivable from related parties reaching NT\$100 million or 20% of paid-in capital or more.

(5) Trading in derivative instruments.

(6) Others: The business relationship between the parent and the subsidiaries and between each subsidiary, and the circumstances and amounts of any significant transactions between them, and accounting policies if the parent and subsidiaries adopt different accounting policies; in addition, amounts presented in the financial report shall be separately disclosed..

2. Information on investees (other than those in the Mainland Area):

(1) If the insurance enterprise directly or indirectly exercises significant influence or control over, or has a joint venture interest in the investee, it shall disclose information on the investee, reporting the name, location, principal business activities, original investment amount, shareholding at the end of the period, profit or loss for the period, and recognized investment gain or loss.

(2) If the insurance enterprise directly or indirectly exercises significant influence or control over, or has a joint venture interest in the investee, it shall disclose additionally information on loans made to others, endorsements/ guarantees for others, securities held at the end of the period, and transactions where the aggregate purchases or sales of the same security reaching NT\$100 million or 20% of paid-in capital or more.

(3) The insurance enterprise is exempted from the requirements of items (1) to (6) of the preceding subparagraph when the investee it controls directly or indirectly is a financial, insurance, or securities enterprise.

(4) When the total assets or operating revenue of an investee directly or indirectly controlled by the insurance enterprise does not reach 10% that of the insurance enterprise or the insurance enterprise directly or indirectly controls the investee's personnel, finance or business, the insurance enterprise is only required to disclose information on loans made to others, endorsements/ guarantees for others, securities held at the end of the period, and transactions where the aggregate purchases or sales of the same security reaching NT\$100 million or 20% of paid-in capital or more.

(5) The term "20% of paid-in capital" referred to under this item is calculated based on the paid-in capital of the insurance enterprise that has direct or indirect control of the investee.

3. Investment and business information on investments in the Mainland Area:

(1) If the insurance enterprise directly or indirectly exercises

significant influence or control over, or has a joint venture interest in an investee in the Mainland Area, it shall disclose information on the investee company, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, shareholding ratio, profit or loss for the period and recognized investment gain or loss, carrying amount of the investment at the end of the period, repatriated investment gains, and limit on the amount of investment in the Mainland Area.

(2) If the investee is an insurance enterprise, disclose additionally its location, fund utilization status and profit (loss) thereon, reserve allocation methods and amounts set aside, premium income and as a percentage of the premium income of the investing insurance enterprise, insurance claims and payments and as a percentage of the insurance claims and payments of the investing insurance enterprise.

(3) Any of the following significant transactions with investees in the Mainland Area, either directly or indirectly through a third area, and their prices, payment terms, and unrealized gains or losses:

A. For transactions involving each other's main business, such as underwriting an insurance policy where the proposer is the investee, the amount and percentage of transactions and the balance and percentage of the related payables at the end of the period.

B. The amount of property transactions and the amount of the resultant gains or losses.

C. The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.

D. Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services.

E. The amount or balance of transactions mentioned in subitems A ~ D above that reaches 20% or more of the insurance enterprise's total amount or balance of such transactions shall be separately presented, while the rest may be added up and reported as an aggregate amount.

(4) When an insurance enterprise recognizes investment gain or loss using the equity method or prepares consolidated financial statements with respect to a Mainland Area investee, the recognition or preparation shall be made based on the investee's financial report audited and certified by an international accounting firm having a business cooperation relationship with an R.O.C. accounting firm, provided that when preparing first quarter and third quarter interim consolidated financial reports, the recognition or preparation may be made based on the investee's financial report reviewed by an international accounting firm having a business cooperation relationship with an R.O.C. accounting firm.

(5) The location of the insurance enterprise's branch in Mainland Area, the branch's outward remittances of operating capital, fund utilization status and profit (loss) thereon, manner of reserve allocation and amounts set aside, premium income and as a percentage of the premium income of the head office, insurance claims and payments and as a percentage of the insurance claims and payments of the head office, and profit (loss) status.

(6) If the overseas branch of an insurance enterprise has reinsurance business dealings with the branch of a foreign insurance enterprise in Mainland Area or the overseas branch of a Mainland Area insurance enterprise, the name of company that the overseas branch has dealings with and related reinsurance premium (expenses).

(7) If the overseas branch of an insurance enterprise has insurance underwriting business dealings with Mainland Area individuals, juristic persons, organizations or other institutions, the name of business customer involving significant amount and related premium income.

4. Notes to the parent company only financial report shall disclose relevant information in accordance with the preceding three subparagraphs herein. However if the total assets or operating revenue of an investee does not reach 10% that of the insurance enterprise, or the insurance enterprise directly or indirectly controls the investee's personnel, finance or business, provisions of Subparagraph 2 herein do not apply. If the transactions disclosed by the insurance enterprise pursuant to the aforementioned provisions have been offset during the preparation of consolidated financial report, the insurance enterprise should provide

proper explanations in the notes.

5. Information on major shareholders: the insurance enterprise whose stock is listed on the TWSE or listed on the TPEX shall disclose the names, numbers of shares held, and shareholding percentages of shareholders who hold 5 percent or more of the insurance enterprise's equity. For this purpose, the insurance enterprise may request the centralized securities depository enterprise to provide relevant information.(Form 21)

#### Article 39

These Regulations shall come into force from the date of promulgation, with the exception of Article 2, Article 4, Article 6, Paragraph 1 of Article 7, Articles 8 ~ 11, Item (4)-G of Subparagraph 1, Subparagraphs 10, 13 and 14 of Paragraph 4 of Article 12, Article 13, Article 15, Subparagraph 2, Paragraph 1 of Article 17, Article 19, Article 26, Article 27, Article 30, and Article 34 amended and promulgated on October 21, 2014, which shall come into force from fiscal year 2015 on, articles amended and promulgated on January 24, 2017, which shall come into force from fiscal year 2017 on, articles amended and promulgated on August 23, 2017, which shall come into force from fiscal year 2018 on, subparagraphs 11 and 12 of Paragraph 3, and Paragraph 6 of Article 9, Article 10, Article 15, Article 29, and Form 1 of Article 19 amended and promulgated on July 30, 2018, which shall come into force from fiscal year 2019 on, and articles amended and promulgated on March 24, 2020, which shall come into force from fiscal year 2020 on.

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Data Source : Financial Supervisory Commission Laws and Regulations Retrieving System