

Content

Title : Regulations Governing A Same Person or Same Concerned Party Holding the Issued Shares with Voting Rights over a Particular Ratio of an Insurance Enterprise **Ch**

Date : 2023.09.21

Legislative : Amended on 21 September 2023 per Order No. Jin-Guan-Bao-Shou-Zi-11204931045 of the Financial Supervisory Commission

Content : Article 3

The same person or the same related party intending to singly, jointly or collectively acquire more than 10 percent of the total outstanding voting shares of an insurance company shall meet the following requirements:

1. The person or related party is free of any situations provided in Subparagraphs 2 to 11, Article 3 of the Regulations Governing Qualification Requirement and Concurrent Serving Restrictions and Matters for Compliance by the Responsible Persons of Insurance Enterprises or other situations that violate the principles of honesty and integrity. Where the same person or the same related party is a juristic person, the preceding provision applies to its chairman.

2. The sources of funds comply with the regulatory requirements.

Article 5

The same person or the same related party intending to singly, jointly or collectively acquire more than 25 percent of the total outstanding voting shares of an insurance company shall comply with the following requirements in addition to the requirements specified in Article 3 herein:

1. Where the same person or the same related party is a juristic person, its natural person shareholders at all layers of its investment framework who directly or indirectly acquire more than 10 percent of the total outstanding voting shares of the insurance company or have control over the insurance company are free of any situations provided in Subparagraphs 2 to 11, Article 3 of the Regulations Governing Qualification Requirement and Concurrent Serving Restrictions and Matters for Compliance by the Responsible Persons of Insurance Enterprises or other situations that violate the principles of honesty and integrity.

2. The financial capability of the person or related party will suffice to meet the capital injection needs (of the insurance company) in the next three years.

Article 8

The same person or the same related party intending to singly, jointly or collectively acquire more than 50 percent of the total outstanding voting shares of an insurance company shall submit, in addition to the documents specified in Article 4 and Article 6 herein, the following documents to the competent authority for approval:

1. An undertaking to protect the interests of policyholders and employees and the specific plan.

2. A description of how the applicant has professional capability to operate an insurance company and the following information:

(1) A list of directors (including independent directors), supervisors, president and vice presidents (including legally-binding consent to act signed by them) to be appointed after the acquisition of shares, their educational background and work experience, and documents evidencing their compliance with the relevant provisions of the Regulations Governing Qualification Requirement and Concurrent Serving Restrictions and Matters for Compliance by the Responsible Persons of Insurance Enterprises.

(2) Business plan for the insurance company after acquisition of shares, including internal organization and division of labor, management team,

retention of existing employees or new recruitment, insurance products planned for the future and business development plan, financial projections, actuarial report on capital injection plans, reinsurance policy, fund utilization, risk management (including assets and liabilities management), corporate governance and decision-making process.

3. The long-term operation commitment shall include at least the following:

(1) An undertaking for long-term operation.

(2) The motives and purposes of acquiring the shares of the insurance company.

(3) Legally-binding documents to show how to ensure the suitability and structural stability of shareholders.

(4) If the applicant has affiliated enterprises involved in the acquisition, the investment framework of the applicant and affiliated enterprises, and a description of the businesses each affiliated enterprise engages in.

4. A description of how the applicant has sufficient financial capability to meet the capital injection needs of the insurance company in the next ten years:

(1) The amount of capital injection needed in the next ten years and other possible latent obligations; and

(2) Substantial and specific sources of funds for future capital increase. For example, if the applicant plans to borrow the funds for future investment (in the insurance company), the applicant should describe specific repayment plan and sources of funds.

5. Other documents required by the competent authority.

Data Source : Financial Supervisory Commission Laws and Regulations Retrieving System