


Content

Title :	Directions Concerning Ceilings on Credit Extensions by a Bank to a Same Person, Same Related Parties, or Same Affiliated Enterprises 
Date :	2010.01.28
Legislative :	3.Full 3 points and title amended and issued 10 April 2001 per Letter No. (90)- - Tai-Tsai-Rong (I)-90903480 of the Ministry of Finance (Original name: Directions Concerning Ceilings on Credit Extensions by a Bank to a Same Person or SameConcerned Parties). 4.Abolished on January 28, 2010
Content :	<p>Article 1</p> <p>Directions concerning ceilings on credit extensions to a same person, same concerned parties, or same related entitiesunder Article 33-3, paragraph 1, of the Banking Act are as follows:</p> <p>(1) The aggregate amount of credit extended by a bank to a same natural person may not exceed 3 percent of the bank's net worth, of which the aggregate amount of unsecured credit may not exceed 1 percent of the bank's net worth.</p> <p>(2) The aggregate amount of credit extended by a bank to a same juristic person may not exceed 15 percent of the bank's net worth, of which the aggregate amount of unsecured credit may not exceed 5 percent of the bank's net worth.</p> <p>(3) The aggregate amount of credit extended by a bank to a same government-owned enterprise is not subject to the percentage limits prescribed in the preceding paragraph, but may not exceed the bank' s net worth.</p> <p>(4) The aggregate amount of credit extended by any bank to same concerned parties may not exceed 40 percent of the bank's net worth, of which the amount of credit extended to natural persons may not exceed 6 percent of the bank's net worth; the aggregate amount of unsecured credit extended to same concerned parties may not exceed 10 percent of the bank's net worth, of which the amount of unsecured credit extended to natural persons may not exceed 2 percent of the bank's net worth, provided that credit extended to government-owned enterprises shall be excluded from calculation.</p> <p>(5) The aggregate amount of credit extended by a bank to same related entities may not exceed 40 percent of the bank's net worth, of which the aggregate amount of unsecured credit may not exceed 15 percent of the bank's net worth, provided that credit extended to government-owned enterprises shall be excluded from calculation.</p> <p>(6) Credit extensions listed below may be omitted when calculating the aggregate amounts of credit referred to in these Directions:</p> <p>(i) Special project credit approved by the Ministry of Finance or credit through Central Bank of China special project refinancing, in coordination with government policy.</p> <p>(ii) Credit extended to government agencies.</p> <p>(iii) Credit collateralized by government bonds, treasury bills, savings bonds of the Central Bank of China, negotiable certificates of deposit</p>

issued by the Central Bank of China, or certificates of deposit or financial bonds of the bank extending the credit.

(iv) Credit amounts of NT\$ 1 million or less extended in accordance with the Directions to Strengthen and Promote Small Loan Business by Banks.

(7) The term "net worth" as used in these Directions means the net worth after the accounting books were closed at the end of the previous fiscal year; a cash capital increase by a bank during the fiscal year may be reflected in net worth calculations, with the date upon which the certificate of capital verification is received as the calculation record date.

Article 2

For existing credit cases that predate the issuance of these Directions in which the balance exceeds ceilings prescribed herein, the credit amount may not be increased; within one month of the issuance date of these Directions, banks shall submit an adjustment plan to the Ministry of Finance.

Article 3

The financial institutions to which these Directions apply are domestic banks as well as investment and trust companies.

Data Source : Financial Supervisory Commission Laws and Regulations Retrieving System