


## Content

Title :	Directions Concerning Applications to Own More Than Fifteen Percent of the Issued Voting Shares of a Same Bank 
Date :	2007.10.02
Legislative :	1. Full 9 points adopted and issued per 28 June 2001 Order No. Tai-Tsai-Rong -(II)-90707141 of the Ministry of Finance 2. Abolished on October 02, 2007
Content :	<p>1. These Directions are adopted in accordance with Article 25 of the Banking Act to strengthen the qualifications of shareholders whose shareholdings in a same bank exceed 15 percent of the total issued voting shares, strengthen the shareholding management system, and simplify administrative review procedures.</p> <p>2. The terms "financial holding company," "government shareholding," and "troubled financial institutions" in Article 25, paragraph 2 of the Banking Act shall be defined as follows:</p> <p>(1) Financial holding company: means domestic financial holding companies and foreign financial holding companies as defined in the Financial Holding Company Act.</p> <p>(2) Government shareholding: means the aggregate shareholdings of government investments plus investments by government-owned enterprises.</p> <p>(3) Troubled financial institution: means a bank that has been subject to measures taken by the Competent Authority as a result of inability to pay debts or of damage to depositors' interests due to significant adverse changes in its business or financial condition, as referred to in Article 62 of the Banking Act.</p> <p>3. A same person or same concerned parties applying to hold more than 15 percent of the issued voting shares of a same bank shall meet the following requirements:</p> <p>(1) Have not violated any of the conditions prescribed in Article 3 of the Regulations Governing Qualification Requirements for Responsible Persons of Banks, provided this restriction shall not extend to the condition in subparagraph 13 of the same Article.</p> <p>(2) No unidentified funding sources.</p> <p>(3) No deficiency in information transparency, or influence on financial supervision administrators.</p> <p>When a same person or same concerned party is a juristic person, the provisions of the preceding paragraph shall apply mutatis mutandis to any natural person who is its representative or is designated to conduct business on its behalf.</p> <p>4. A same person or same concerned parties intending to own more than 15 percent of the total issued voting shares of a same bank shall submit the following application documents:</p> <p>(1) Application Document (Schedule 1)</p> <p>(2) Application Form (Schedule 2)</p> <p>(3) Source of Funds Explanation Form (Schedule 3)</p>

(4) Statement (Schedule 4)

The Statement to be issued under the preceding paragraph shall include a statement of compliance with any additional conditions imposed by the Ministry of Finance at the time of approval.

5. A same person or same concerned parties intending to own more than 15 percent of the total issued voting shares of a same bank shall first notify the bank in writing, submitting therewith all of the relevant application documents, and also notify the Ministry of Finance; the bank will then submit the application to the Ministry of Finance. The application shall be deemed approved if the Ministry of Finance has not expressed any objection within 15 days from the day after the application from the bank was delivered, unless the application documents are incomplete or other supplementation or explanation is required.

6. The provisions in points 3 through 5 in these Directions concerning qualifications, conditions, and application procedures shall not apply to financial holding companies and government shareholders. The application procedures in point 5 shall not apply to shareholding in troubled financial institutions.

7. Without approval from the Ministry of Finance, a same person or same concerned parties may not own more than 15 percent of the total issued voting shares of a same bank.

The maximum shareholder ratio of a same person or same concerned parties whose application to own more than 15 percent of the total issued voting shares of a same bank has been approved may not exceed 25 percent of said bank's total issued voting shares.

Where a same person or same concerned parties hold more than 15 percent of the total issued voting shares of a same bank without applying for and receiving approval from the Ministry of Finance, the shareholder shall be fined not less than NT\$2 million and not more than NT\$10 million; the Ministry of Finance may restrict the voting rights for the portion of shareholding in excess of the approved amount.

8. Where shareholdings exceed 15 percent of the total issued voting shares of a same bank, a report form (Schedule 5) shall be filled out by the fifth day of each month informing the bank of the number of shares held and the number subject to pledge in the preceding month; the bank shall compile such applications and report them to the Ministry of Finance via the Internet by the fifteenth day of each month.

An appropriate stock affairs agent may be mandated to carry out the reporting procedures under the preceding paragraph.

When the provisions concerning notification obligations under paragraph 1 are violated, in accordance with the penal provisions of paragraph 1, Article 133 of the Banking Act, if the bank shareholder itself fails to notify the bank, causing the bank to fail to report to the Ministry of Finance, the fine shall be imposed on the shareholder itself; if the bank itself fails to report to the Ministry of Finance, the fine shall be imposed on the bank.

9. A same person or same concerned parties whose application to own more than 15 percent of the total issued voting shares of a same bank has been approved, but who subsequently fails to comply with any of the conditions listed in the paragraphs of point 3 shall immediately inform the bank, and

the bank shall inform the Ministry of Finance. Depending on the severity of the circumstances, the Ministry of Finance may revoke the disposition in which approval was previously granted.

When a bank knows that the circumstances set forth in the preceding paragraph exist with respect to any shareholders holding more than 15 percent of said bank's total issued voting shares, the bank shall take the initiative to notify the Ministry of Finance.

---

Data Source : Financial Supervisory Commission Laws and Regulations Retrieving System