

# **The Banking Act of The Republic of China**

## **Article 25**

The shares issued by a Bank shall be registered shares.

The same person or same concerned party who singly, jointly or collectively acquires more than five percent (5%) of a Bank's outstanding voting shares shall report such fact to the Competent Authority within ten (10) days from the day of acquisition; the preceding provision applies to each cumulative increase or decrease in the shares of the same person or same concerned party by more than one percent (1%) thereafter.

The same person or same concerned party who intends to singly, jointly or collectively acquire more than ten percent (10%), twenty-five percent (25%) or fifty percent (50%) of a Bank's outstanding voting shares shall apply for prior approval of the Competent Authority.

A third party who holds shares of the Bank on behalf of the same person or same concerned party in trust, by mandate or through other types of contract, agreement or authorization shall fall within the purview of a concerned party.

The same person or same concerned party who singly, jointly or collectively holds shares of the Bank representing more than five percent (5%) but less than fifteen percent (15%) of a Bank's outstanding voting shares prior to the implementation of the amendment to the Act on December 9, 2008 shall report such fact to the Competent Authority within six (6) months from the implementation date of the said amendment. Those who report to the Competent Authority within the said prescribed period may maintain their shareholding at the time of reporting. However, those whose original shareholding exceeds ten percent (10%) shall apply for the prior approval of the Competent Authority when they intend to increase their shareholding for the first time thereafter.

The regulations governing the qualifications and requirements for the same person or same concerned party who applies for approval pursuant to Paragraph 3 hereof or the proviso of the preceding paragraph, required documentation, shares to be acquired, purpose of acquisition, sources of funding, and other matters to be complied with shall be prescribed by the Competent Authority.

Where the same person or same concerned party who holds voting shares issued by a Bank without filing a report with the Competent Authority or obtaining approval from the Competent Authority in accordance with the provisions set forth in Paragraphs 2, 3 or 5 hereof, the excess shares held by such same person or same concerned party shall not have voting rights and shall be disposed of within the given period prescribed by the Competent Authority.

If the total number of a Bank's shares held by the same person or by the principal,

his/her spouse and children under twenty (20) years of age exceeds one percent (1%) of the Bank's outstanding voting shares, such principal shall notify the Bank thereof.

#### **Article 25-1**

The term "same person" as used in the preceding article shall mean the same natural or juristic person.

The term "same concerned party" as used in the preceding article shall mean parties related to the same natural or juristic person, including:

1. Parties related to the same natural person:

(1) The principal, his/her spouse and relatives by blood within the second degree of kinship.

(2) An enterprise in which the persons referred to in the preceding subparagraph hold more than one third (1/3) of its outstanding voting shares or more than one third of its capital.

(3) An enterprise or a foundation in which the persons referred to in subparagraph (1) hereof act as its chairman, president or directors representing the majority of directors.

2. Parties related to the same juristic person:

(1) The same juristic person and its chairman and president as well as the spouse and relatives by blood within second degree of kinship of the chairman and president.

(2) Enterprises in which the same juristic person and natural persons referred to in the preceding subparagraph hold more than one third (1/3) of their outstanding voting shares or more than one third of their capital, or enterprises or foundations in which the same juristic person and natural persons referred to in the preceding subparagraph act as their chairman, president or directors representing the majority of directors.

(3) The affiliates of the same juristic person. The term "affiliate" shall be defined under Articles 369-1 through 369-3, Articles 369-9 and 369-11 of the Company Law.

The calculation of shares of a Bank held by the same person or same concerned party under the preceding two paragraphs shall exclude shares held under the following circumstances

1. Shares acquired by a securities firm during the underwriting period of the securities and disposed of during the period prescribed by the Competent Authority.

2. Shares acquired by a financial institution under a collateral pledge or security agreement and four years have not elapsed since the date of acquisition.

3. Shares acquired by inheritance or bequest and two years have not elapsed since the date of inheritance or bequest.

**Article 128-3**

A financial information business which handles inter-bank funds transfers and bills clearing, or a service business which handles the inter-bank credit data processing and exchange commits one of the following acts shall be imposed of an administrative fine of not less than Two Million New Taiwan Dollars (NT\$2,000,000) and not more than Ten Million New Taiwan Dollars (NT\$10,000,000)