

**Title :** Regulations Governing Concurrent Serving Restrictions and Matters for Compliance by the Responsible Persons of Electronic Stored Value Card Issuers

**Amended Date :** 2019-07-11

**Article 1**

These Regulations are set forth pursuant to Paragraph 1, Article 17 of Act Governing the Issuance of Electronic Stored Value Card (referred to as the “Act” hereunder).

**Article 2**

These Regulations are adopted to better implement corporate governance by strengthening the professional management performance of responsible persons of an electronic stored value card issuer and the management efficiency of responsible persons holding a concurrent position, and by improving the check and balance mechanisms between duties.

**Article 3**

The term “responsible person” used in these Regulations refers to the chairman, director, supervisor or manager of an electronic stored value card issuer (referred to as the “issuer” hereunder).

**Article 4**

A person having any of the following situations may not act as the responsible person of an issuer:

1. Having limited legal capacity or is legally incompetent.
2. Having been convicted of a crime under the Organized Crime Act.
3. Having been sentenced to imprisonment for counterfeiting currency or valuable securities, misappropriation, fraud or breach of trust and the sentence has not been completed or ten (10) years have not elapsed since the date of sentence completion, the expiration of probation period, or the pardon of such punishment.
4. Having been sentenced to imprisonment for forging instruments or seals, offence against privacy, usury, impairing the rights of creditors or violating the Tax Collection Act, Trademark Act, Patent Act or other laws governing industrial or commercial activity and the sentence has not been completed or five (5) years have not elapsed since the date of sentence completion, the expiration of probation period, or the pardon of such punishment.
5. Having been sentenced to imprisonment for embezzlement and the sentence has not been completed or five (5) years have not lapsed since the date of sentence completion, the expiration of probation period, or the pardon of such punishment.
6. Having been sentenced to imprisonment for violating the Act, Banking Act, Financial Holding Company Act, Trust Enterprise Act, Act Governing Bills Finance Business, Financial Assets Securitization Act, Real Estate Securitization Act, Insurance Act, Securities and Exchange Act, Futures Trading Act, Securities

Investment Trust and Consulting Act, Foreign Exchange Control Act, Credit Cooperatives Act, Farmers' Association Act, Fishermen's Association Act, Agricultural Finance Act, Money Laundering Control Act or other laws governing financial activity, and the sentence has not been completed or five (5) years have not elapsed since the date of sentence completion, the expiration of probation period or the pardon of such punishment.

7. Having been adjudicated bankrupt, and rights and privileges have not been reinstated.

8. Being the responsible person of a legal entity at the time such legal entity was adjudicated bankrupt and five (5) years have not elapsed since the closure of the bankruptcy or the terms of bankruptcy settlement have not yet been fulfilled.

9. Having been denied service by the bills clearing house and the denial status has yet to be removed, or there remains a record of dishonored check(s) due to insufficient funds in three (3) years since the denial status has been removed.

10. Having an ongoing event that seriously damages his or her credit worthiness or five (5) years have not elapsed since the closure of such an event.

11. Five (5) years have not elapsed since being replaced or discharged from duties by order of the competent authority due to violation of the Act, Banking Act, Financial Holding Company Act, Trust Enterprise Act, Act Governing Bills Finance Business, Financial Assets Securitization Act, Real Estate Securitization Act, Insurance Law, Securities and Exchange Act, Futures Trading Act, Securities Investment Trust and Consulting Act, Credit Cooperatives Act, Farmers' Association Act, Fishermen's Association Act, Agricultural Finance Act, or other laws governing financial activity.

12. Having been ordered to enter a reformatory or having been ordered to perform compulsory labor due to the offense of larceny or receiving stolen property and the sentence has not been completed or five (5) years have not elapsed since the sentence completion.

13. Factual evidence shows that the person has engaged in, or been involved in, other dishonest or improper activities which indicate that she/he is unfit to serve as a responsible person of an issuer.

In the event that the government or a juristic person is a shareholder (of an issuer), the preceding paragraph shall apply mutatis mutandis to its authorized representative or other individual(s) designated by it to serve as a director or a supervisor on its behalf.

If any of the situations mentioned in Paragraph 1 hereof occurs after the responsible person of an issuer takes office, the responsible person shall, ipso facto, be discharged from the office.

## **Article 5**

Where the responsible person of an issuer has any situation that should result in an

ipso facto discharge according to these Regulations, the responsible person shall inform the issuer immediately.

An issuer should take proactive action after learning that its responsible person has a situation that should result in his/her ipso facto discharge, file a report with the competent authority, and notify the Ministry of Economic Affairs to annul or cancel related registration.

#### **Article 6**

The responsible person of an issuer shall not hold any position concurrently at any of the establishments below, unless such establishment has an investment relationship with the issuer:

1. Another issuer;
2. An establishment having financial or business dealings with the issuer and the dollar amount involved reaches more than 30% of the issuer's business revenue from the previous year.

Where an establishment mentioned in subparagraph 2 of the first paragraph hereof has any of the following situations, the responsible person of an establishment may act concurrently as a director or supervisor of the issuer:

1. A shareholder of the issuer;
2. An affiliated enterprise of the issuer;
3. A shareholder of the issuer's parent company that fully owns the issuer; or
4. An affiliated enterprise of the issuer's parent company that fully owns the issuer.

#### **Article 7**

The manager of an issuer shall not concurrently hold any paid position at another company or institution, except for acting concurrently as a director or supervisor of a subsidiary of the issuer.

Where the issuer's paid-up capital exceeds NTD 2 billion, the chairperson may not act concurrently as the general manager. However, this restriction does not apply under any of the following conditions if the competent authority provides approval:

1. Where the chairperson or general manager resigns and can no longer perform duties;
2. Where the chairperson or general manager is replaced or dismissed by the competent authority;
3. Where the chairperson or general manager is subject to other major incidents and can no longer perform duties;

Where the issuer applies to the competent authority to allow the chairperson to act concurrently as the general manager based on the proviso in the preceding paragraph, the competent authority may approve a maximum period of three months in which the chairperson may act concurrently as the general manager. The issuer may apply to the

competent authority for one extension one month prior to the expiry of the period.

Where an electronic stored value card issuer violates the restrictions on concurrent posts in the two preceding paragraphs, the competent authority may impose a deadline and order the electronic stored value card issuer to make adjustments; where adjustments are not made for legitimate reasons, the responsible person shall be discharged.

**Article 8**

The concurrent services of the responsible person of the issuer and the number of concurrent posts shall not impact the effective execution of the responsible person's original duties and concurrent duties. No conflicts or interests or violation of internal controls of the issuer shall be permitted. The interests of card holders and shareholders must also be protected.

**Article 9**

(Deleted)

**Article 10**

These Regulations shall take force on the date of promulgation.