

General Explanation of the Amendment of Article 5 of the Regulations Governing Qualification Requirements and Concurrent Serving Restrictions and Matters for Compliance by the Responsible Persons of Banks

To implement management of the responsible persons of banks, the Ministry of Finance formulated the "Regulations Governing Qualification Requirements of the Responsible Persons of Banks" on September 19, 1991 in accordance with the authorization granted in Article 35-2 of the Banking Act. After several amendments in the subsequent years, the name was changed to the "Regulations Governing Qualification Requirements and Concurrent Serving Restrictions and Matters for Compliance by the Responsible Persons of Banks" (hereinafter referred to as the "Regulations") to enhance the management of the qualifications, concurrent serving restrictions, and matters for compliance by the responsible persons of banks.

In response to the diversified development of the financial market, the needs for talents tend to diverse and multi/inter-disciplinary. To help banks increase their efficiency in the recruitment of diverse and multi/inter-disciplinary talents, the FSC amended Article 5 of the Regulations and specified that candidates with qualifications in professional disciplines such as information science, technology, law, e-commerce, digital economy, finance and accounting, marketing, and human resources shall not require prior approval of the competent authority. However, the appointment of such professionals as responsible persons shall be restricted to work that involves their original field(s) of expertise.

Table of Comparison of the Amended Articles of Article 5 of the Regulations Governing Qualification Requirements and Concurrent Serving Restrictions and Matters for Compliance by the Responsible Persons of Banks

Amended Article	Current Article	Explanation
<p>Article 5 A bank's vice president, assistant vice president, head office manager or personnel holding comparable position shall have good moral character, the ability in leadership and efficient banking management, and meet one of following qualifications:</p> <p>1. Having graduated from a domestic or foreign college or higher, or an equivalent and with at least five (5) years of experience working in a bank(s) and having served in the position of</p>	<p>Article 5 A bank's vice president, assistant vice president, head office manager or personnel holding comparable position shall have good moral character, the ability in leadership and efficient banking management, and meet one of following qualifications:</p> <p>1. Having graduated from a domestic or foreign college or higher, or an equivalent and with at least five (5) years of experience working in a bank(s) and having served in the position of</p>	<p>1. Where a bank intends to appoint a candidate with expertise in his/her professional field but does not have experience working in banking, the highest-level positions should be the vice president, assistant vice president, head office manager, or personnel holding comparable position prescribed in this Article. The responsible persons on this level are responsible for the functions including supervision and management of businesses operations. Banks may recruit multi/inter-disciplinary talents to enhance the management. The years of experience working in their original professional fields of multi/inter-disciplinary talents recruited by banks shall correspond to the requirements for other personnel working in a bank(s) specified</p>

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<p>assistant manager or higher or similar position in the head office of a bank(s) with good performance record.</p> <p>2. Having at least three (3) years of experience working in a bank(s) and having served in the position of manager or higher or similar position in the head office of a bank(s) with good performance record.</p> <p><u>3. Having at least ten (10) years of professional experience working in information science, technology, law, e-commerce, digital economy, finance and accounting, marketing, and human resources, with good</u></p>	<p>assistant manager or higher or similar position in the head office of a bank(s) with good performance record.</p> <p>2. Having at least three (3) years of experience working in a bank(s) and having served in the position of manager or higher or similar position in the head office of a bank(s) with good performance record.</p> <p>3. Having other experiences sufficing to evidence the possession of professional banking knowledge or banking management capability to effectively manage the banking business, and having received a prior approval of</p>	<p>in this Article.</p> <p>2. Cases of multi/inter-disciplinary talents approved by the FSC in recent years possessing professional knowledge in information science, technology, finance and accounting, marketing, or human resources, and the development of the digital economy and e-commerce has become international trends. In addition, the "Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries" amended by the FSC on March 31, 2018 specifies the designation of dedicated units and personnel for the information security and legal compliance of banks. Banks therefore require talents with legal expertise. The FSC thus revised Subparagraph 3, Paragraph 1 to add qualifications of multiple disciplines with at least 10 years of professional experience working in information science, technology, law, e-commerce, digital economy, finance and</p>

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<p><u>performance record.</u></p> <p>4. Having other experiences sufficing to evidence the possession of professional banking knowledge or banking management capability to effectively manage the banking business, and having received a prior approval of the competent authority for such appointment.</p> <p><u>Personnel with qualifications specified in Subparagraph 3 and Subparagraph 4 of the preceding paragraph shall only perform work that involves their original field(s) of expertise.</u></p> <p>The branch manager of a foreign bank in Taiwan or an</p>	<p>the competent authority for such appointment.</p> <p>The branch manager of a foreign bank in Taiwan or an officer in a comparable position shall possess the qualifications specified in the preceding Paragraph; he/she may not hold office unless the competent authority has examined and approved his/her qualifications.</p>	<p>accounting, marketing, or human resources, a prior approval of the FSC is not required. The current Subparagraph 3 is moved to Subparagraph 4. If a person does not meet the qualifications set out in the three preceding subparagraphs but has other experiences sufficing to evidence the possession of professional banking knowledge or banking management capability to effectively manage the banking business, an application may be filed for prior approval for such appointment in accordance with Subparagraph 4.</p> <p>3. When banks appoint multi/inter-disciplinary talents to serve as the responsible person, the roles of the responsible person shall be relevant to their original field(s) of expertise. Paragraph 2 is therefore added to specify that multi/inter-disciplinary talents may only serve in roles related to their original field(s) of expertise. Where such talents have met the requirements for the working experience and past positions specified in</p>

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<p>officer in a comparable position shall possess the qualifications specified in the preceding Paragraph; he/she may not hold office unless the competent authority has examined and approved his/her qualifications.</p>		<p>Subparagraph 1 or Subparagraph 2, Paragraph 1, the restrictions on the field of employment shall not apply and the bank may assign them at its sole discretion. The current Paragraph 2 is moved to Paragraph 3.</p>