

Banking Bureau Service Q&A

2020.12.14

Q1

Account opening by general natural persons of domestic nationality	
Question 1	What kind of documents does a natural person of domestic nationality over the age of 20 need to open a deposit account?
Response	According to the "Regulations Governing the Deposit Accounts and Suspicious or Unusual Transactions", when processing a Deposit Account opening application, a bank shall require dual identification documents that suffice to authenticate the identity of the applicant. In addition to the original copy of the national ID card, the customer is required to provide the original copy of a second identification certificate (e.g., National Health Insurance Card, passport, driver's license, student ID card, household registration certificate, or household registration transcript).
Question 2	Are there restrictions on the types of accounts that can be opened?
Response	As a principle, all types of deposit accounts may be opened. However, the opening of a checking deposit account must meet check credit regulations.
Question 3	Is the applicant required to open an account at the place of residence?
Response	A financial institution may accept account opening applications from customers whose household registration is not in the local area if it can obtain information, verify the customer's identity, and prevent applicants from opening dummy accounts with forged identification certificates for engaging in fraud and other criminal activities. The FSC required banks to adopt Know Your Customer (KYC) policies and banks established related internal operation regulations which do not require applicants to open accounts at the place of household registration.

Q2

Account opening by minors of domestic nationality (including minors receiving placement arrangements and those with only one parent)	
Question 1	How do I open a deposit account for a child under the age of 7 (with no capacity to make juridical acts)?
Response	To meet requirements in the Civil Code, both parents are required to present two forms of identification certificates at the counter to open an account for persons with no capacity under the age of 7. Alternatively, a parent may also apply for account opening alone by presenting the other parent's letter of consent. The child is not required to visit the bank for identity confirmation procedures.

Question 2	My child is in senior high school (individual with limited capacity to make juridical acts). Are parents still required to accompany the child to open a deposit account at the counter?
Response	<ol style="list-style-type: none"> 1.The opening of a deposit account constitutes an act of consumption deposit. According to the Civil Code, a contract made by a person limited in capacity (a minor above the age of 7) to make juridical acts is only valid with the approval or acknowledgment of the legal representative. 2.In addition to opening accounts over the counter by parents, to help persons with limited capacity to make juridical acts open accounts, they may open accounts by presenting the letters of consent of both parents when opening the account. 3.If the person with limited capacity is employed in a public or private enterprise and needs to open a demand deposit account for salary payment, once the employer submits a certificate proving that the employment relationship was approved by the legal representative of the person with limited capacity, the approval or recognition of the legal representative may be waived for account opening.
Question 3	If the father or mother of a minor child with only one parent opens an account on behalf of the minor child, what kind of documents are required?
Response	<ol style="list-style-type: none"> 1.In addition to general account opening documents, the father or mother of a minor child with only one parent is only required to provide the household registration certificate. A household registration transcript can only be used as proof if the household registration certificate does not include the name of the person exercising rights and assuming duties of the minor child after the certificate is renewed. 2.If the household registration certificate or household registration transcript cannot sufficiently verify the identity of the person exercising rights and assuming duties of the minor child, the bank may file a "Financial Institution Inquiry of National Identity Card Information to Household Registration Authority" inquiry form to the household registration authority to make an inquiry.
Question 4	What kind of documents are required for opening an account with a minor receiving placement?
Response	<ol style="list-style-type: none"> 1.An official document issued by the local competent authority (or the agency under the Ministry of the Interior) specifying the name of the minor requesting account opening and the name of the accompanying staff member (placement institution, foster home, person in charge, or the social worker responsible for follow-up in accordance with regulations in Article 59, 62, and 68 of the "Protection of Children and Youth Welfare and Rights Act"). 2.Original copies of the national ID card and a second identity document of the minor or youth.

	3.Original copy of the national ID card of the accompanying staff member. (The second identity document is not required).
Question 5	Are there restrictions on the types of accounts that can be opened by minors?
Response	According to the "Regulations for Processing Check Deposit Accounts" established by the Bankers Association, persons of no capacity or limited capacity may not open checking deposit accounts.

Q3

Account opening by natural persons of foreign nationality (including Overseas Compatriot, persons from Hong Kong and Macau, and citizens without household registration)

Question 1	What kind of documents does a natural person of foreign nationality need to open a deposit account in Taiwan?
Response	<p>1.Foreigners with a resident certificate issued by the Ministry of the Interior: The applicant must present the resident certificate and another document which can verify his/her identity, such as a National Health Insurance Card, passport, driver's license, or student ID card and apply with two forms of identity documents.</p> <p>2.Foreigners (foreigners without a residence in Taiwan) who do not hold a resident certificate: The applicant shall present the foreign passport with a valid entry visa (or seal) or the Overseas Compatriot Identity Certificate issued by Overseas Community Affairs Council as well as the Record of ID No. in the Republic of China to apply.</p>
Question 2	Are there restrictions on the types of deposit account that can be opened by foreign natural persons?
Response	Foreigners without a residence in Taiwan (i.e., foreigners who do not hold a resident certificate) may not open checking deposit accounts.
Question 3	Can a foreign natural person appoint another individual to process account opening in Taiwan?
Response	<p>As a principle, foreigners without a residence in Taiwan [i.e. foreigners who do not hold a resident certificate (including overseas Compatriot)] are required to personally apply for opening an NTD deposit account. However, those that meet the following conditions or regulations of the competent authority may appoint or authorize an agent to process the application in accordance with the bank's internal KYC regulations:</p> <p>1.The opening of accounts for the transaction of securities for foreigners who receive a special approval from the Investment Commission, Science Park Administration Bureau, or Export Processing Zone Administration of the Ministry of Economic Affairs, or those who obtain securities due to specific reasons such as gifts and inheritance.</p> <p>2.Where the person in charge of the preparatory office of a foreign company is a foreigner without a residence in Taiwan when the preparatory office opens a deposit account at a financial institution.</p>

Q4

Account opening by people from Mainland China	
Question 1	What kind of documents does a person from Mainland China need to open an account in Taiwan?
Response	<ol style="list-style-type: none">1.Those with a resident certificate issued by the National Immigration Agency, Ministry of the Interior must present the resident certificate and another document which can verify his/her identity, such as a National Health Insurance Card, passport, driver's license, or student ID card.2.Where the applicant is from Mainland China and does not hold a resident certificate, he/she shall provide an entry/exit permit issued by National Immigration Agency, the Record of ID No. in the Republic of China, and other documents which can verify his/her identity.
Question 2	Are there restrictions on the types of accounts that can be opened by people from Mainland China in Taiwan?
Response	<p>The types of accounts shall be determined by the certificate issued by the National Immigration Agency, Ministry of the Interior:</p> <ol style="list-style-type: none">1.For those with a resident certificate, the types of accounts that may be opened are the same as those of citizens.2.For those with an entry/exit permit, the types of accounts that can be opened are the same as foreigners who have not obtained residency in Taiwan.

Q5

Account opening by foreign students (including students from Mainland China)	
Question 1	What kind of documents does a foreign student (including students from Mainland China) studying in Taiwan need to open a deposit account?
Response	<ol style="list-style-type: none">1.A foreign passport with a valid entry visa (or seal) or the Overseas Compatriot Identity Certificate issued by Overseas Community Affairs Council.2.Resident certificate or Record of ID No.3.Those who are designated as persons with limited capacity according to the laws of their countries must obtain the consent form of the legal representative certified by an overseas embassy (mission) of Taiwan or the consent form signed by their guardian in Taiwan.
Question 2	If a foreign student with limited capacity cannot obtain the consent form of the legal representative certified by an overseas embassy (mission) of Taiwan or the consent form signed by their guardian in Taiwan, are there alternative methods for opening the account?

Response	If the foreign student opens an account at Chunghwa Post, the student may use the certificate of student status issued by the school, a registered student ID card, or an official letter from the school in lieu of the consent form.
Question 3	Are there restrictions on the types of deposit accounts that can be opened foreign students?
Response	Accounts (including NTD and foreign currency accounts) other than checking deposit accounts.

Q6

Question	What is the current state of bilingual branches of domestic banks?
Response	The FSC continues to support the "Blueprint of the Bilingual Nation 2030 Policy" and encourages banks to set up bilingual branches and create a friendly bilingual environment for financial services. The standard requirements for bilingual branches include the deployment of employees with foreign language skills, provision of forms in foreign languages for customers, and the facilities and signs of the branches in foreign languages. 15 banks have set up at least one bilingual branch. The FSC hopes to promote the establishment of bilingual branches to provide foreigners in Taiwan with friendlier financial services.

Q7

Question	What are the latest developments in the FSC's promotion of open banking?
Response	The FSC referenced practices in Hong Kong and Singapore for its promotion of open banking by encouraging banks to promote open banking in a voluntary and self-disciplinary manner based on their business requirements. The promotion of open banking involves participating members, technical specifications, and information security regulations, and it must account for the confidentiality, sensitivity, and risk ratings of the open information. The FSC has adopted a gradual implementation approach with a first stage for "open data inquiries", a second stage for "consumer information inquiries", and a third stage for "transaction information". The first stage was launched in September 2019 and the second stage is expected to be launched before the end of this year (2020).

Q8

Question	What are the contents covered in deposit insurance?
Response	1. Since January 1, 2011, the maximum insurance amount for the deposits of each depositor has become NT\$3 million. The covered items include the principal and interests from checking deposits, current deposit, and time deposits in NTD and foreign currencies. Therefore, people receive the same deposit insurance coverage within

	<p>a range of NT\$3 million for the total sum of the principal and interest deposited in the same domestic financial institution participating in the deposit insurance scheme.</p> <p>2. For more information on how deposit insurance protects people's rights and interests, please refer to the information on the website of the Central Deposit Insurance Corporation under "Protection of Depositor Rights and Interests" - "How Deposit Insurance Protects Your Rights and Interests". (Please visit the CDIC's website http://www.cdic.gov.tw/).</p>
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Q9

Question	Does the School and Community Financial Literacy Campaign accept registration from overseas?
Response	The FSC has organized the "School and Community Financial Literacy Campaign" since 2006 to help consumers establish correct consumption finance and wealth management values. The recipients include students and communities, women, ROC military, new immigrants, indigenous peoples, the elderly, social welfare institutions, correctional institutions, police, firefighters, coast guard personnel, and taxi drivers. The Campaign reaches all levels of society to help financial education take root. However, the registration is currently open only to domestic areas and has not accepted registration from overseas.

Q10

Question	Differences and similarities between electronic payment institutions and third-party payment service providers
Response	<p>1. According to Article 3 of the "Act Governing Electronic Payment Institutions", an "electronic payment institution" is a company that accepts, through a network or electronic payment platform, the registration and opening of an account by users and keeps track of their funds transfer and funds deposit records. It operates "collecting and making payments for real transactions as an agent", "accepting deposits of funds as stored value funds", and "transferring funds between e-payment accounts" between payers and recipients. It is required to apply for approval from the FSC for the business item code "HZ06011 electronic payment" and is governed by the FSC's financial supervision.</p> <p>2. However, if a company "only operates collecting and making payments for real transactions as an agent" and the total balance of collecting and making payments is less than NT\$1 billion, its business item code shall be "I301040 third-party payment service". Its competent authority is the "Ministry of Economic Affairs" and the Department of Commerce of the Ministry of Economic Affairs shall implement general commercial management on the third-party</p>

	payment service providers.
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Q11

Question	Trust 2.0 "Comprehensive Trust" Implementation Plan
Response	<p>In response to the aging society and low birthrate, the FSC has, since 2015, continuously encouraged trust enterprises to develop the care trust business for senior citizens and disable people. The FSC published the Trust 2.0 "Comprehensive Trust" Implementation Plan on September 1, 2020 with the aim of shifting the focus of trust enterprises from wealth management trusts to active development of comprehensive trust services in response to necessities in all parts of customers' lives.</p> <ol style="list-style-type: none"> 1. Contents of the plan: Integrate internal resources of financial institutions across multiple financial products (including loans, wealth management, insurance, securitization, and other financial services). Extend reach across industries to form partnerships for the design of customized trust products and supply of a full range of high-quality services for all aspects of customers' needs. 2. Important measures: (1) Guide enterprises in gradually increasing the functions and organization structure of the trust department; (2) Amendment of the Principles for the Establishment and Review of Remuneration System of Trust Enterprises; (3) Relax restrictions on marketing and promotion of trust businesses; (4) Evaluate the feasibility of the development of dedicated trust companies in Taiwan; (5) Formulate and review legislation to enhance the management of real estate investment trusts (REITs); (6) Coordinate and enhance the implementation of pre-sale house trust mechanisms; (7) Formulation of the family trust legal system and taxation environment; (8) Encourage companies to organize employee welfare trusts; (9) Promote the "Senior Finance Planner" trust professional skill certification system; (10) Promotion of the "family trust planning consultant" certification plan; (11) Cross-industry collaboration with social welfare organizations, elderly care organizations, and medical institutions; (12) Organize evaluations to reward trust enterprises and personnel with outstanding performance.

Q12

Question	Is there a limit or an additional service fee for credit card spending?
Response	According to Article 27 of the "Regulations Governing Institutions Engaging in Credit Card Business", unless with justified reasons, a merchant may not refuse a cardholder's request to use credit card for charges, limit the charge amount or charge additional fees.

Q13

Question	Is there a limit on the amount of foreign currency passengers may bring into and out of the country or a requirement for declaration?
Response	According to Article 11 of the Foreign Exchange Regulation Act and the authority granted in Article 10 of the Money Laundering Control Act, passengers who carry foreign currency in excess of US\$10,000 or its equivalent on the same trip into and out of the country on the same day shall report to the customs. Violation of regulations due to failure to declare or making false declarations shall be punished by confiscation of foreign currencies.

Q14

Question	Are dual currency deposits the same as deposits? What should investors pay attention to when making investments?
Response	<p>1. Dual currency deposits are structural products that integrate the principal and derivative products. Most products incorporate the price of the sell exchange rate options to improve investment returns. However, the bank converts the principal and interest into another currency to be delivered to customers in accordance with the contract when the exchange rate reaches certain conversion conditions upon settlement, instead of providing a 100% guarantee for the return of the principal in the original currency. It is different from deposits and investors must bear the exchange rate risks of converting the investment to another currency upon maturity and the credit risks of the issuer.</p> <p>2. Such structural products offer different returns that are different from deposits. Investors must objectively evaluate investment risks when investing in the aforementioned products. Higher investment returns for products mean higher investment risks and investors should prudently manage their wealth to avoid losses on their assets.</p>

Q15

Question	When a subsidiary of a financial holding company plans to reduce its capital in accordance with the "Regulations Governing the Capital Reduction at the Subsidiaries of a Financial Holding Company", does it require the approval of the competent authority in advance? If the competent authority grants approval in accordance with said Regulations, what are the subsequent procedures?
Response	1. According to Article 2 of the "Regulations Governing the Capital

	<p>Reduction at the Subsidiaries of a Financial Holding Company", the capital reduction mentioned in these Regulations refers to a subsidiary company of a financial holding company returning capital stock to shareholders for the purpose of decreasing capital and thus obtaining capital for the financial holding company. If the subsidiary of the financial holding company adopts capital reduction to cover the cumulative losses, then it should observe other related regulations and is not subject to these Regulations. As such, a subsidiary of a financial holding company is only required to apply for approval from the competent authority when it returns capital stock to the financial holding company.</p> <p>2. After a subsidiary of a financial holding company applies for capital reduction and obtains approval from the competent authority, if the subsidiary is a public company its subsequent procedures for capital reduction shall be processed in accordance with related regulations in the Securities and Exchange Act.</p>
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Q16

<p>Question</p>	<p>Is a responsible person of a financial holding company eligible for holding concurrent posts in subsidiaries if he/she meets requirements in the "Regulations Governing Qualification Requirements for the Founder or Responsible Persons of Financial Holding Companies and Concurrent Serving Restrictions and Matters for Compliance by the Responsible Persons of a Financial Holding Company"?</p>
<p>Response</p>	<p>Article 13, Paragraph 1 of the "Regulations Governing Qualification Requirements for the Founder or Responsible Persons of Financial Holding Companies and Concurrent Serving Restrictions and Matters for Compliance by the Responsible Persons of a Financial Holding Company" states: A responsible person of a financial holding company who, due to the investment relationship, concurrently holds a position in a subsidiary is not subject to the restrictions in the first half of Article 11, Paragraph 3 of the Act Governing Bills Finance Business, provided that the responsible person holding such concurrent position shall still meet the relevant qualification requirements prescribed by the competent authority responsible for the supervision of that subsidiary. Therefore, the concurrent posts of a responsible person of a financial holding company must meet requirements of the Regulations as well as related regulations on the qualifications and concurrent posts of subsidiary companies.</p>