

Content

Title :  An Explanatory Decree of Article 4 and Article 22 of the “Regulations Governing the Implementation of the Common Standard on Reporting and Due Diligence for Financial Institutions” regarding the definitions of the terms “Related Entity” and “Preexisting Account” [Ch](#)

Date : 2018.10.31

Legislative : Issuance of Explanatory Decree No. 10700642570 by the Ministry of Finance on 31 October 2018.

Content : ※Should discrepancy due to translation occur, the Chinese version shall prevail.

1. If two Entities which are Investment Entities described in Subparagraph 2 of Article 8 of the “Regulations Governing the Implementation of the Common Standard on Reporting and Due Diligence for Financial Institutions” (hereinafter referred to as the Regulations) are under common management, and such management fulfils the due diligence obligations of such Investment Entities, the two Entities are deemed as Related Entities referred to in Article 4 of the Regulations.
2. A Financial Account held by an individual or an Entity, and opened and maintained by a Reporting Financial Institution on or after 1 January 2019 is deemed a Preexisting Account referred to in Article 22 of the Regulations, if:
 - (1) The Account Holder also holds with the same Reporting Financial Institution (or with its Related Entity located in the territory of the R.O.C. as the Reporting Financial Institution) a Preexisting Account opened as of 31 December 2018 (hereinafter referred to as “such Preexisting Account”);
 - (2) The Reporting Financial Institution (and its Related Entity located in the territory of the R.O.C. as the Reporting Financial Institution) treats such Preexisting Account, and any other Financial Accounts held by such Account Holder opened and managed on or after 1 January 2019 as a single Financial Account for purposes of implementing special due diligence provisions pursuant to Article 47, and for purposes of calculating the balance or value of any of the Financial Accounts pursuant to Article 49 of the Regulations;
 - (3) The Reporting Financial Institution is permitted to satisfy AML/KYC (Anti-Money Laundering/Know Your Customer) Procedures for any Financial Account which is opened and managed on or after 1 January 2019 and is held by the Account Holder of such Preexisting Account by relying upon the results of AML/KYC Procedures performed for such Preexisting Account; and
 - (4) Upon the opening of a Financial Account which is opened and managed by the Reporting Financial Institution on or after 1 January 2019 and is held by the Account Holder of such Preexisting Account, the provision of new, additional, or amended customer information by the Account Holder is not required other than for purposes of the Regulations.

(This Explanatory Decree was repealed by Explanatory Decree No. 11024505601 by the Ministry of Finance on 25 May 2021.)

Data Source : Ministry of Finance, R.O.C. Laws and Regulations Retrieving System