Content

Title：	Regulations Governing the Implementation of the Common Standard on Reporting and Due Diligence for Financial Institutions Ch
Date：	2017.11.16
Legislative：	Promulgated by Decree No. 10624518960 issued by the Ministry of Finance on November 16, 2017.
Content：	Chapter 1 General Provisions Article 1 These Regulations are enacted pursuant to the provisions set out in paragraph 6 of Article 5-1 of the Tax Collection Act (hereinafter referred to as the “TCA”). Article 2 Any Financial Institution in the territory of the Republic of China (hereinafter referred to as the “ROC”) shall perform due diligence for Financial Account information in tax matters for the purpose of exchange of information, and report Reportable Persons’ Financial Account information in tax matters to the tax authorities in accordance with the provisions in the TCA and these Regulations. Any such matter not provided for in the TCA and these Regulations shall be governed by the relevant provisions of the Income Tax Act, the Regulations Governing Application of Agreements for the Avoidance of Double Taxation with Respect to Taxes on Income, and other laws or regulations. The term “Financial Institution in the territory of the ROC” in the preceding paragraph shall mean any of the following: 1. Any Financial Institution that is organized, incorporated, or established in accordance with laws of the ROC, except for any branch of the Financial Institution located in a territory other than the ROC. 2. Any branch of a Financial Institution that is organized, incorporated, or established in accordance with foreign laws, and that branch is located in the territory of the ROC. Article 3 A Financial Institution in the territory of the ROC is exempted from the obligation of performing due diligence and reporting requirements set forth in paragraph 1 of the preceding article if any of the following criteria is met: 1. A Governmental Entity, an International Organization, or a Central Bank, other than with respect to a payment that is derived from an obligation held in connection with a commercial financial activity of a type engaged in by a Depository Institution, a Custodial Institution, or a Specified Insurance Company. 2. A Broad Participation Retirement Fund, a Narrow Participation Retirement Fund, or a Pension Fund of a Governmental Entity, an International Organization, or a Central Bank. 3. An Exempt Credit Card Issuer. 4. An Exempt Collective Investment Vehicle. 5. A trust to the extent that the trustee of the trust is a Reporting Financial Institution and reports all required information in accordance with these Regulations with respect to all Reportable Accounts of the trust. 6. Any other Entity that presents a low risk of being used to evade tax, and is announced by the Ministry of Finance. Chapter 2 Defined Terms

Section 1 General Definitions

Article 4
The term “Entity” referred to in these Regulations means a legal person or a legal arrangement, such as a corporation, a partnership, a trust, a foundation, or an organization.
The term “Related Entity” referred to in these Regulations means an Entity controlling the other Entity, or two Entities under common control. Such entities constitute Related Entities.
The term “Control” referred to in the preceding paragraph means direct or indirect ownership of more than 50% of the vote and value in an Entity.

Section 2 Reporting Financial Institution

Article 5
The term “Financial Institution” referred to in these Regulations means a Depository Institution, a Custodial Institution, an Investment Entity, and a Specified Insurance Company.
The term “Reporting Financial Institution” referred to in these Regulations means Financial Institutions in the territory of the ROC other than those referred to in Article 3 of these Regulations.

Article 6
The term “Depository Institution” referred to in these Regulations means an Entity that accepts deposits in the ordinary course of a banking or similar business.

Article 7
The term “Custodial Institution” referred to in these Regulations means that an Entity holding Financial Assets for the account of others as a substantial portion of its business, or conducting trust business concurrently in accordance with relevant laws or other operations not as a substantial portion of its business, leading to the holding of Financial Assets for the account of others, and that the Entity’s gross income attributable to the holding of Financial Assets and related financial services equals or exceeds 20% of the Entity’s gross income during either the most recent 3 accounting years or a period the Entity has been in existence if the period is less than 3 years. In the case that an Entity conducts trust business concurrently in accordance with relevant laws or other operations not as a substantial portion of its business, leading to the holding of Financial Assets for the account of others, the rule of calculating the aforementioned gross income is to be announced by the Ministry of Finance.

Article 8
The term “Investment Entity” referred to in these Regulations means any Entity of the following:
1. An Entity primarily conducts as a business any of the following activities or operations for or on behalf of a customer, and the Entity’s gross income attributable to the relevant activities equals or exceeds 50% of the Entity’s gross income during either the most recent 3 accounting years or a period the Entity has been in existence if the period is less than 3 years.
(1) Trading in money market instruments such as cheques, drafts, certificates of deposit, bills, derivatives, etc.; foreign exchange; exchange, interest rate and index instruments; transferable securities; or commodity futures trading.
(2) Individual and collective portfolio management.
(3) Otherwise investing, administering, or managing Financial Assets or money on behalf of other persons.
2. An Entity is managed by another Entity that is a Depository Institution, a Custodial Institution, a Specified Insurance Company, or an Investment Entity described in the preceding subparagraph, and the gross income of the first-mentioned Entity attributable to investing, reinvesting, or trading in Financial Assets equals or exceeds 50% of the first-mentioned Entity’s gross income during either the most recent 3

accounting years or a period the first-mentioned Entity has been in existence if the period is less than 3 years.

Article 9
The term “Specified Insurance Company” referred to in these Regulations means an insurance company or the holding company of an insurance company that issues, or is obligated to make payments with respect to, a Cash Value Insurance Contract or an Annuity Insurance Contract.

Article 10
The term “Financial Assets” referred to in these Regulations means a security, partnership interest, commodity, swap, Insurance Contract, Annuity Insurance Contract, or any interest in the aforesaid assets, except for a non-debt, direct interest in real property or a commodity that is a physical good.

Section 3 Non-Due Diligence and Non-Reporting Financial Institution

Article 11
The term “Governmental Entity” referred to in these Regulations means the government at various levels, or any agency, institution, or organization that is directly or indirectly wholly held or controlled by the government at various levels.

Article 12
The term “Broad Participation Retirement Fund” referred to in these Regulations means a fund established to provide retirement, disability, or death benefits to beneficiaries that are employees in consideration for services rendered, provided that the following requirements are met:
1. A single beneficiary of the fund does not have a right to more than 5 per cent of the fund’s assets.
2. The fund is subject to government regulations and provides information reporting to the tax authorities.
3. At least one of the following requirements is met:
(1) The fund is generally tax-favored on investment income.
(2) The fund receives at least 50% of its total contributions from the sponsoring employers, other than transfers of assets from other retirement funds described in subparagraph 2 of Article 3, or from retirement and pension accounts described in subparagraph 1 of Article 23.
(3) Distributions or withdrawals from the fund are allowed only upon the occurrence of retirement, disability, or death, except rollover distributions to other retirement funds described in subparagraph 2 of Article 3 or retirement and pension accounts described in subparagraph 1 of Article 23, or penalties applied to distributions or withdrawals made before the occurrence of retirement, disability, or death.
(4) Contributions, other than certain permitted make-up contributions, by employees to the fund are limited by reference to earned income of the employee or may not exceed USD 50,000 annually, the calculation of contributions shall apply the rules set forth in paragraph 2 of Article 34 and Article 49.

Article 13
The term “Narrow Participation Retirement Fund” referred to in these Regulations means a fund established to provide retirement, disability, or death benefits to beneficiaries that are employees in consideration for services rendered, provided that the following requirements are met:
1. The fund has fewer than 50 participants.
2. The fund is sponsored by an employer that is not an Investment Entity or a Passive Non-Financial Entity (hereinafter referred to as “NFE”).
3. The employee and employer contributions to the fund, other than transfer of assets from retirement and pension accounts described in subparagraph 1 of Article 23, are limited by reference to earned income of the employee.
4. Participants that are Foreign Residents are not entitled to more than 20% of the fund’s assets.
5. The fund is subject to government regulations and reports information

to the tax authorities.

Article 14
The term “Exempt Credit Card Issuer” referred to in these Regulations means an issuer of credit cards that accepts deposits only when a customer makes a payment in excess of a balance due with respect to the card and the overpayment is not immediately returned to the customer, provided that no later than 31 December 2018, the issuer implements policies and procedures either to prevent a customer from making an overpayment in excess of USD 50,000, or to ensure that any customer overpayment in excess of USD 50,000 is refunded to the customer within 60 days. The customer overpayment in each case shall be calculated applying the rules set forth in paragraph 2 of Article 34 and Article 49, and not refer to credit balances to the extent of disputed charges.

Article 15
The term “Exempt Collective Investment Vehicle” referred to in these Regulations means a collective investment vehicle in which all of the interests are directly or indirectly held by non-Reporting Persons, including an Investment Entity that has issued physical shares in bearer form and meets the following requirements:
1. No longer issuing any physical shares in bearer form after 31 December 2018.
2. Retiring all physical shares in bearer form upon surrender.
3. Performing the due diligence procedures when physical shares in bearer form are presented for redemption or other payment, and reporting required information in accordance with these Regulations.
4. Having in place policies and procedures to ensure that physical shares in bearer form are redeemed or immobilized by 31 December 2018.
The Exempt Collective Investment Vehicle in the preceding paragraph does not include a collect investment vehicle in which the interests are held by a non-Reportable Person which is a Passive NFE with Controlling Persons who are Reportable Persons.

Section 4 Financial Account

Article 16
The term “Financial Account” referred to in these Regulations means an account maintained by a Financial Institution, including a Depository Account, a Custodial Account, or an account that meets any of the following requirements, other than an Excluded Account described in Article 23:
1. In the case that a Financial Institution is an Investment Entity, the account is any equity or debt interest in the Investment Entity. However, the account does not include an Investment Entity solely rendering investment advice to, or managing portfolios for, or acting on behalf of, a customer for the purpose of investing, administering, or managing Financial Assets deposited in the name of the customer with other Financial Institutions.
2. Any equity or debt interest in a Financial Institution not described in the preceding subparagraph, provided that the class of interests was established with the purpose of avoiding reporting in accordance with these Regulations.
3. Any Cash Value Insurance Contract and any Annuity Insurance Contract issued or maintained by a Financial Institution, other than a non-investment-linked and non-transferable immediate life annuity that is issued to an individual and monetizes a pension or disability benefit provided under an account that is an Excluded Account.

Article 17
The term “Depository Account” referred to in these Regulations includes the following accounts maintained by a Financial Institution in the ordinary course of a banking or similar business:
1. A commercial, checking, savings, time, or thrift account.
2. A certificate of deposit, a thrift certificate, an investment certificate, a certificate of indebtedness, or other similar instrument.
3. An amount held by an insurance company pursuant to a guaranteed

investment contract or a similar agreement to pay or credit interest thereon.

Article 18
The term “Custodial Account” referred to in these Regulations means an account holds Financial Assets for the benefits of other persons, which does not include an Insurance Contract or an Annuity Insurance Contract.

Article 19
The term “Equity Interest” referred to in these Regulations means an interest in an Entity. In the case that a partnership is a Financial Institution, the interest is a capital or profit interest in the partnership. In the case that a trust is a Financial Institution, the interest is all or a portion of the interest of a trust held by a settlor or a beneficiary, or any other natural persons exercising ultimate effective control over the trust. A person is treated as the beneficiary of a trust if such person has the right to directly or indirectly receive a mandatory or a discretionary distribution from the trust.

Article 20
The term “Insurance Contract” referred to in these Regulations means a contract under which the issuer agrees to pay an amount upon the occurrence of a specified contingency involving mortality, morbidity, accident, liability, or property risk, which does not include an Annuity Insurance Contract.
The term “Annuity Insurance Contract” referred to in these Regulations means a contract under which the issuer agrees to make payments for a period of time determined by reference to the life expectancy of an individual.

Article 21
The term “Cash Value” referred to in these Regulations means the greater of an amount that the policyholder is entitled to receive upon surrender or termination of the contract, and an amount the policyholder can borrow under or with regard to the contract, which does not include the following amount payables:
1. A payment solely by reason of the death of an individual insured under a life Insurance Contract.
2. A payment as a personal injury or sickness benefit or other benefit providing indemnification of an economic loss incurred upon the occurrence of the event insured against.
3. A payment as a refund of a previously paid premium under a non-investment-linked life Insurance Contract or an Annuity Insurance Contract, due to cancellation or termination of the contract, decrease in risk exposure during the effective period of the contract, or arising from the correction of a posting or similar error with regard to the premium for the contract.
4. A payment as a policyholder dividend, other than a termination dividend, provided that the dividend relates to an Insurance Contract under which the only benefits payable are described in subparagraph 2 of this Article.
5. A return of an advance premium or premium deposit, which does not exceed the next annual premium payable under the Insurance Contract for which the premium is payable at least annually.

Article 22
The term “Preexisting Account” referred to in these Regulations including a Preexisting Individual Account or a Preexisting Entity Account, means a Financial Account held by an individual or an Entity, and maintained by a Reporting Financial Institution as of 31 December 2018.
The term “New Account” referred to in these Regulations including a New Individual Account or a New Entity Account, means a Financial Account held by an individual or an Entity, and maintained by a Reporting Financial Institution and opened on or after 1 January 2019.
The term “Lower Value Account” referred to in these Regulations means a Preexisting Individual Account with an aggregate balance or value as of 31

December 2018 that does not exceed USD 1,000,000.
The term "High Value Account" referred to in these Regulations means a Preexisting Individual Account with an aggregate balance or value that exceeds USD 1,000,000 as of 31 December 2018 or 31 December of any subsequent year.

Article 23
The term "Excluded Account" referred to in these Regulations means any of the following accounts:
1. A retirement or pension account that satisfies the following requirements:
(1) The account is subject to regulation as a personal retirement account or is part of a registered or regulated retirement or pension plan for the provision of retirement or pension benefits, including disability and death benefits.
(2) The account is tax-favored.
(3) Information reporting is required to the tax authorities with respect to the account.
(4) Withdrawals are conditioned on retirement, disability, or death, or penalties apply to withdrawals made before the occurrence of retirement, disability, or death.
(5) Either annual contributions are limited to USD 50,000 or less, or a maximum lifetime contribution is limited to the account of USD 1,000,000 or less, applying the rules set forth in paragraph 2 of Article 34 and Article 49. The contributions do not include assets or funds transferred from a Financial Account described in this subparagraph or subparagraph 2 of this Article, or from the retirement or pension funds described in subparagraph 2 of Article 3.
2. A non-retirement account that satisfies the following requirements:
(1) The account is subject to regulation as an investment vehicle for purposes other than for retirement and is regularly traded on an established securities market, or the account is subject to regulation as a savings vehicle for purposes other than for retirement.
(2) The account is tax-favored.
(3) Withdrawals are conditioned on meeting specific criteria related to the purpose of the investment or savings account, or penalties apply to withdrawals made before such criteria are met.
(4) Annual contributions are limited to USD 50,000 or less, applying the rules set forth in paragraph 2 of Article 34 and Article 49. The contributions do not include assets or funds transferred from a Financial Account described in the preceding subparagraph or this subparagraph, or from the retirement or pension funds meeting the requirements of subparagraph 2 of Article 3.
3. A life Insurance Contract with a coverage period that will end before the insured individual attains age 90, provided that the contract satisfies the following requirements:
(1) Periodic premiums, which do not decrease over time, are payable at least annually during the period the contract is in existence or until the insured attains age 90, whichever is shorter.
(2) The contract has no Cash Value that any person can access by withdrawal, loan, or otherwise, without terminating the contract.
(3) The amount, other than a death benefit, payable upon cancellation or termination of the contract, cannot exceed the aggregate premiums paid for the contract, less the sum of mortality, morbidity, and expense charges for the periods of the contract's existence and any amounts paid prior to the cancellation or termination of the contract.
(4) The contract is not held by a transferee for value.
4. An account that is held by an estate accompanied with a copy of the deceased's will, a death certificate, or other similar documentation.
5. An account held on behalf of a party involved in connection with any of the following:
(1) A court order or judgment.
(2) A sale, exchange, or lease of real or personal property, provided that the account satisfies the following requirements:
The account is funded solely with a down payment, earnest money, deposit in an amount appropriate to secure an obligation directly

related to the transaction, or a similar payment, or is funded with a Financial Asset that is deposited in the account in connection with the sale, exchange, or lease of the property.
The account is established and used solely to secure the obligation of the purchaser to pay the purchase price for the property, the seller to pay any contingent liability, or the lessor or lessee to pay for any damages relating to the leased property as agreed under the lease.
The assets of the account and the income earned thereon, will be paid or otherwise distributed, for the benefit of the purchaser, seller, lessor, or lessee, including to satisfy such person's obligation, when the property is sold, exchanged, or surrendered, or the lease terminates.
The account is not a margin or similar account established in connection with a sale or exchange of a Financial Asset.
The account is not associated with an account described in subparagraph 6 of this Article.

(3) An obligation of a Financial Institution servicing a loan secured by real property to set aside a portion of a payment solely to facilitate the payment of taxes or insurance related to the real property at a later time.
(4) An obligation of a Financial Institution solely to facilitate the payment of taxes at a later time.

6. A Depository Account exists solely because a customer makes a payment in excess of a balance due with respect to a credit card or other revolving credit facility and the overpayment is not immediately returned to the customer, provided that no later than 31 December 2018, the issuer implements policies and procedures either to prevent a customer from making an overpayment in excess of USD 50,000, or to ensure that any customer overpayment in excess of USD 50,000 is refunded to the customer within 60 days. The customer overpayment in each case shall be calculated based on the facts of actual economic relationships, and apply the rule set forth in paragraph 2 of Article 34, and not refer to credit balances to the extent of disputed charges.

7. When a Reporting Financial Institution performs due diligence, the aggregate balance or value of an account does not exceed USD 1,000 for the year, and the amount calculation shall apply the rule set forth in paragraph 2 of Article 34, provided that the following requirements are met:

(1) The Account Holder has not initiated a transaction with regard to the account or any other account held by the Account Holder with the Reporting Financial Institution in the past 3 years, and the account holder has not communicated with the Reporting Financial Institution that maintains such account regarding the account or any other account held by the Account Holder with the Reporting Financial Institution in the past 6 years.
(2) In the case of a Cash Value Insurance Contract, the account holder has not communicated with the Reporting Financial Institution regarding the account related to the contract or any other account held by the Account Holder with the Reporting Financial Institution in the past 6 years.

8. Any other account that presents a low risk of being used to evade tax, which is announced by the Ministry of Finance.

Section 5 Reportable Account

Article 24
The term "Reportable Account" referred to in these Regulations means an account held or jointly held by Reportable Persons or by a Passive NFE with Controlling Persons that are Reportable Persons, provided that it has been identified as such pursuant to the due diligence procedures described in Section 3.

Article 25
The term "Reportable Person" referred to in these Regulations means a resident regulated by tax laws in a Reportable Jurisdiction, or an estate of a decedent that was a resident of a Reportable Jurisdiction. An Entity such as a partnership, a limited liability partnership, or a similar legal arrangement that has no residence for tax purposes shall be treated as a resident of the jurisdiction in which its place of effective management is

situated.
Any of the following conditions met is not a Reportable Person described in the preceding paragraph:
1. A corporation the stock of which is regularly traded on an established securities market.
2. Any corporation that is a Related Entity of a corporation described in the preceding subparagraph.
3. A Governmental Entity.
4. An International Organization.
5. A Central Bank.
6. A Financial Institution.
The term "Reportable Jurisdiction" referred to in these Regulations means a country or a jurisdiction with which the ROC has concluded a tax information exchange treaty or agreement, to proceed with automatic exchange of Financial Account information, and is announced by the Ministry of Finance.

Article 26
The term "Foreign Account" referred to in these Regulations means a Financial Account held or jointly held by Foreign Residents or by a Passive NFE with Controlling Persons that are Foreign Residents.
The term "Foreign Resident" referred to in these Regulations means a resident regulated by tax laws in a Foreign Jurisdiction, or an estate of a decedent that was a resident of a Foreign Jurisdiction. An Entity such as a partnership, a limited liability partnership, or a similar legal arrangement that has no residence for tax purposes shall be treated as a resident of the jurisdiction in which its place of effective management is situated.
The term "Foreign Jurisdiction" referred to in these Regulations means a country or a jurisdiction other than the ROC.

Article 27
The term "Controlling Persons" referred to in these Regulations means natural persons who exercise control over an Entity, and shall be determined in the order of the following subparagraphs:
1. Directly or indirectly owning more than 25 percent of the Entity's shares, capital, or equities.
2. Exercising control over the Entity through other means.
3. Holding the positions as senior managing officials.
In the case of a trust or other legal arrangements, the term "Controlling Persons" means the settlors, the trustees, the protectors, the beneficiaries, any other natural persons exercising ultimate effective control over the trust, or persons in equivalent or similar positions.

Article 28
The term "Active NFE" referred to in these Regulations means a NFE that meets any of the following conditions:
1. Less than 50% of the NFE's gross income for the preceding accounting year is from dividends, interest, rents, royalties, the excess of gains over losses from the sale or exchange of Financial Assets, the excess of foreign currency gains over foreign currency losses, or income derived from other non-active business, and less than 50% of the assets held by the NFE during the preceding accounting year are assets that produce or are held for the production of non-active business income.
2. The stock of the NFE is regularly traded on an established securities market, or the NFE is a Related Entity of an Entity the stock of which is regularly traded on an established securities market.
3. The NFE is a Governmental Entity, an International Organization, a Central Bank, or an Entity wholly owned by a Governmental Entity, an International Organization, or a Central Bank.
4. Substantially all of the activities of the NFE consist of holding the outstanding stock of, or providing financing and services to, one or more subsidiaries that engage in trades or businesses other than the business of a Financial Institution, except that the Entity functions as an investment fund, or any investment vehicle whose purpose is to acquire or fund companies and then hold interests in those companies as capital assets for

investment purposes.
5. The NFE has not yet operated a business within 24 months after the date of its initial organization, and invests capital into assets to operate a business other than that of a Financial Institution.
6. The NFE was not a Financial Institution in the past five years, and is in the process of liquidating or reorganizing.
7. The NFE primarily engages in financing and hedging transactions with, or for, Related Entities, and does not provide financing or hedging services to non-Related Entities, provided that any such Related Entities are primarily engaged in a business other than that of a Financial Institution.
8. A NFE that meets all of the following requirements:
(1) It is established and operated in its country or jurisdiction of residence exclusively for religious, charitable, scientific, artistic, cultural, athletic, or educational purposes; or it is established and operated in its country or jurisdiction of residence and it is a professional organization, business league, chamber of commerce, labor organization, agricultural or horticultural organization, civic league or an organization operated exclusively for the promotion of social welfare.
(2) It is exempt from income tax in its country or jurisdiction of residence.
(3) It has no shareholders or members who have a proprietary or beneficial interest in its income or assets.
(4) The applicable laws of the NFE's country or jurisdiction of residence or the NFE's formation documents do not permit any income or assets of the NFE to be distributed to, or applied for the benefit of, a private person or non-charitable Entity other than pursuant to the conduct of the NFE's charitable activities, or as payment of reasonable compensation for services rendered, or as payment representing the fair market value of properties.
(5) The applicable laws of the NFE's country or jurisdiction of residence or the NFE's formation documents require that, upon the NFE's liquidation or dissolution, all of its remainder of the assets be distributed to a Governmental Entity or other non-profit organization, or escheat to the government at various levels of the NFE's country or jurisdiction of residence.
The term "Passive NFE" referred to in these Regulations means a NFE other than those described in the preceding paragraph, or an Investment Entity described in subparagraph 2 of Article 8 which is not a Reportable Jurisdiction Financial Institution or a Participating Jurisdiction Financial Institution.
The term "Participating Jurisdiction" referred to in these Regulations means a country or a jurisdiction implementing the automatic exchange of Financial Account information in accordance with the Common Standard on Reporting and Due Diligence for Financial Account Information released by the Organization for Economic Co-operation and Development, and is announced by the Ministry of Finance.

Section 6 Other Definitions

Article 29
The term "Account Holder" referred to in these Regulations means the person listed or identified as the holder of a Financial Account by the Financial Institution maintaining the account. In the case that a person other than a Financial Institution, holding a Financial Account for the benefit of other person as agent, custodian, nominee, signatory, investment advisor, or intermediary, such other person is treated as holding the account.
The Account Holder of a Cash Value Insurance Contract or an Annuity Insurance Contract is a person entitled to access the Cash Value or change the beneficiary of the contract. If no person can access the Cash Value or change the beneficiary, the Account Holder is a person named as the owner in the contract and a person with a vested entitlement to payment under the terms of the contract. Upon the maturity of a Cash Value Insurance Contract or an Annuity Insurance Contract, each person entitled to receive a payment under the contract is treated as an Account Holder.

Article 30
The term “Anti-Money Laundering/Know Your Customer Procedures (hereinafter referred to as AML/KYC Procedures)” referred to in these Regulations means the customer due diligence procedures of a Reporting Financial Institution pursuant to the anti-money laundering or similar requirements to which such Reporting Financial Institution is subject.

Article 31
The term “Tax Identification Number, TIN” referred to in these Regulations means any number to identify individuals or Entities, or any other identifying numbers with equivalent functions for administering purposes of applying tax laws of Foreign Jurisdictions.

Article 32
The term “Documentary Evidence” referred to in these Regulations means any of the following documentation:
1. A certificate of residence issued by a government body.
2. A valid identification issued by a government body that includes the individual’s name and is used for identification purposes.
3. Documentation issued by a government body that includes the name of the Entity and the address of its principal office in which it is a resident, or the Entity was organized or incorporated.
4. Any audited financial statement by a certified public accountant, third-party credit report, bankruptcy filing, or securities regulator’s report.

Chapter 3 Due Diligence

Section 1 General Provisions

Article 33
A Reporting Financial Institution shall perform the due diligence on Preexisting Individual Accounts, New Individual Accounts, Preexisting Entity Accounts, and New Entity Accounts in accordance with the procedures and time limits in this Chapter to identify Foreign Accounts and Reportable Accounts. A Reporting Financial Institution may apply the due diligence procedures for High Value Accounts to Lower Value Accounts. Where a Reporting Financial Institution applies the due diligence procedures for Preexisting Accounts to such Accounts, the procedures may be supplemented with the due diligence procedures for New Accounts.
A Reporting Financial Institution, which pursuant to the provisions in this Chapter, reviews and identifies any Foreign Account not a Reportable Account at the time the due diligence is performed, may rely on the outcome of the first review after the implementation of these Regulations and report the information pursuant to the provisions in Chapter 4, if such a Foreign Account becomes a Reportable Account in subsequent years.

Article 34
The balance or value of an account and its threshold shall be determined as of the last day of the calendar year. In the case of a Cash Value Insurance Contract or an Annuity Insurance Contract, the balance or value of an account and its threshold may be determined as of the contract anniversary date that ends with or within that calendar year.
If the amount of an account is denominated in a currency other than US dollars, its threshold shall be calculated by the closing foreign exchange rate posted by a Reporting Financial Institution’s designated major correspondent bank of the date in the preceding paragraph.

Section 2 Due Diligence for Preexisting Individual Accounts

Article 35
A Preexisting Individual Account that is a Cash Value Insurance Contract or an Annuity Insurance Contract is not required to be reviewed, identified, or reported, provided that such Contract is prevented by law from being sold to residents of a Reportable Jurisdiction.

Article 36
A Lower Value Account shall be reviewed by applying any of the following procedures:
1. Residence address test: a Reporting Financial Institution shall review a current residence address for the Account Holder based on Documentary Evidence in its records.
2. Electronic record search: a Reporting Financial Institution shall review electronic records maintained by the Reporting Financial Institution for any of the following indicia associated with the Account Holder:
(1) Identification as a resident of a Foreign Jurisdiction.
(2) Current residence or mailing address in a Foreign Jurisdiction.
(3) Telephone numbers in a Foreign Jurisdiction and no telephone number in the ROC.
(4) Standing instructions with respect to a Financial Account other than a Depository Account to transfer funds to an account maintained in a Foreign Jurisdiction.
(5) Power of attorney or signatory authority granted to a person with an address in a Foreign Jurisdiction.
(6) Only an “in-care-of” address or “hold mail” instruction in a Foreign Jurisdiction.
If a current residence address of the Account Holder is determined to be located in a Reportable Jurisdiction in accordance with subparagraph 1 of the preceding paragraph, such Account Holder is treated as a resident of such jurisdiction, and such account is a Reportable Account.
If a current residence address of the Account Holder is not able to be determined in accordance with subparagraph 1 of paragraph 1, the electronic record search shall be applied in accordance with subparagraph 2 of the same paragraph.

Article 37
When searching the electronic record of an Account Holder in accordance with subparagraph 2 of paragraph 1 of the preceding article, or if there is a change in circumstances of an account, that results in one or more indicia described in items 1 through 5 of such subparagraph being associated with the account, the Account Holder shall be treated as the resident of the Foreign Jurisdiction. However, an Account Holder shall not be treated as a resident of a Foreign Jurisdiction under any of the following circumstances:
1. The electronic record contains any of the indicia described in items 2 through 4 of subparagraph 2 of paragraph 1 of the preceding article, and the Reporting Financial Institution maintains a self-certification specifying the jurisdictions of residences of the Account Holder other than such Foreign Jurisdiction, and Documentary Evidence establishing that the Account Holder is not a resident of such Foreign Jurisdiction.
2. The electronic record contains an indicium described in item 5 of subparagraph 2 of paragraph 1 of the preceding article, and the Reporting Financial Institution maintains a self-certification specifying the jurisdiction of residence of the Account Holder other than such Foreign Jurisdiction, or Documentary Evidence establishing that the Account Holder is not a resident of such Foreign Jurisdiction.
When searching electronic record of an Account Holder in accordance with subparagraph 2 of paragraph 1 of the preceding article only an indicium described in item 6 of such subparagraph is identified, the Reporting Financial Institution may apply paragraph 3 of Article 38 to review the paper record, or obtain a self-certification or Documentary Evidence from the Account Holder to identify his or her countries or jurisdictions of residences. If such paper record search fails to establish any of the indicia described in items 1 through 5 of subparagraph 2 of paragraph 1 of the preceding article, and the attempt to obtain the self-certification and Documentary Evidence from the Account Holder is not successful, the Reporting Financial Institution shall report such account as an undocumented account.
If the Account Holder is determined to be a resident of a Reportable Jurisdiction in accordance with the preceding two paragraphs, such account is a Reportable Account.

Article 38
A High Value Account shall be subject to the electronic record search. The Reporting Financial Institution shall review the electronic record maintained by itself for any of the indicia described in subparagraph 2 of paragraph 1 of Article 36 associated with the Account Holder.

If the Reporting Financial Institution's electronic record does not include any of the information in the following items, a paper record search is required to be performed for any uncontained information in such item in accordance with paragraph 3:

The Account Holder's residence status.
The Account Holder's current residence address and mailing address.
The Account Holder's telephone numbers.
In the case of Financial Accounts other than Depository Accounts, whether there are standing instructions to transfer funds.
Whether there is any power of attorney or signatory authority.
Whether there is an "in-care-of" address or "hold mail" instruction.

When a High Value Account is undergone the paper record search, the current customer master file and, to the extent not contained in the current customer master file, the following documents associated with such account within the last 5 years shall be reviewed:

1. The most recent Documentary Evidence collected.
2. The most recent account opening contract or documentation.
3. The most recent documentation obtained pursuant to AML/KYC Procedures or for other regulatory purposes.
4. Any power of attorney or signature authority forms.
5. Any standing instructions other than with respect to a Depository Account to transfer funds.

The preceding article shall apply to the results of the electronic record search and the paper record search of a High Value Account.
If a relationship manager has actual knowledge that a High Value Account Holder is a resident of a Reportable Jurisdiction, such account shall be treated as a Reportable Account.
A Reporting Financial Institution shall implement relevant procedures to ensure that a relationship manager identifies any change in circumstances of an account.
A High Value Account reviewed in accordance with the procedures provided in the preceding six paragraphs shall be subject to the review procedures in accordance with paragraph 5 in subsequent years. However, an undocumented account shall be reviewed annually in accordance with the preceding six paragraphs.

Article 39
A Reporting Financial Institution shall complete the reviewing procedures for High Value Accounts by 31 December 2019, and complete the reviewing procedures for Lower Value Accounts by 31 December 2020.
If a Lower Value Account becomes a High Value Account as of the last day of any subsequent calendar year, the Reporting Financial Institution shall complete its review in accordance with the preceding article within the calendar year following the year in which the account becomes a High Value Account.

Section 3 Due Diligence for New Individual Accounts

Article 40
Upon a New Individual Account opening, a Reporting Financial Institution shall obtain and keep a self-certification of the Account Holder which allows the Reporting Financial Institution to determine such individual's resident countries or jurisdictions, and confirm the reasonableness of such self-certification based on other information obtained in connection with such account.
The "other information" mentioned in the preceding paragraph includes documentation collected pursuant to AML/KYC Procedures.
If the self-certification described in the first paragraph establishes that

the Account Holder is a resident in a Reportable Jurisdiction, such account shall be treated as a Reportable Account, and such self-certification shall specify the Account Holder's TIN with respect to such Reportable Jurisdiction and date of birth. Notwithstanding, if any of the circumstances described in subparagraph 3 of paragraph 2 of Article 50 occurs in such Reportable Jurisdiction, the TIN is not required to be specified.
If there is a change of circumstances with respect to an account that causes a Reporting Financial Institution to know, or have reason to know, that a self-certification is incorrect or unreliable, the Reporting Financial Institution shall otherwise obtain a valid self-certification to identify the residences of the Account Holder.

Section 4 Due Diligence for Preexisting Entity Accounts

Article 41
A Preexisting Entity Account with an aggregate account balance or value that does not exceed USD 250,000 as of 31 December 2018, is not required to be reviewed, identified, or reported.
A Preexisting Entity Account that has an aggregate account balance or value that exceeds USD 250,000 as of 31 December 2018, or as of the last day of any subsequent calendar year, shall be reviewed in accordance with the procedures set forth in Article 42 and Article 43.

Article 42
A Reporting Financial Institution shall review information maintained for regulatory or customer relationship purposes, including information collected pursuant to AML/KYC Procedures, to identify a Preexisting Entity Account Holder's resident countries or jurisdictions.
If a Preexisting Entity Account Holder is identified to be a resident in a Reportable Jurisdiction in accordance with the preceding paragraph, such account shall be treated as a Reportable Account, unless the Reporting Financial Institution reasonably determines, based on a self-certification provided by the Account Holder, information in its possession or that is publicly available, that such Account Holder is not a resident in such Reportable Jurisdiction.

Article 43
A Reporting Financial Institution shall review whether a Preexisting Entity Account Holder is a Passive NFE, and determine the resident countries or jurisdictions of Controlling Persons of a Passive NFE in accordance with the following provisions:
1. Obtaining a self-certification from the Account Holder to determine whether the Account Holder is a Passive NFE, unless it has information in its possession or that is publicly available, based on which it can reasonably determine that such Account Holder is not a Passive NFE.
2. Relying on information collected and maintained pursuant to AML/KYC Procedures or other information, to determine the Controlling Persons of such Passive NFE.
3. Relying on a self-certification provided by a Passive NFE or the Controlling Persons of such Passive NEF to specify the resident countries or jurisdictions of such Controlling Persons. However, in the case of a Preexisting Entity Account with an aggregate account balance or value that does not exceed USD 1,000,000, the Reporting Financial Institution may rely on information collected and maintained pursuant to AML/KYC Procedures.
4. If a self-certification is not able to be obtained in accordance with the procedures in the preceding subparagraph, Article 38 is applicable to determine the resident countries or jurisdictions of such Controlling Persons.
If the Preexisting Entity Account Holder is determined to be a Passive NFE, and any of the Controlling persons of such Passive NFE is a resident of a Reportable Jurisdiction in accordance with the preceding paragraph, such account shall be treated as a Reportable account.

Article 44
A Reporting Financial Institution shall complete the review procedures for

Preexisting Entity Accounts by 31 December 2020.
A Preexisting Entity Account with an aggregate account balance or value that does not exceed USD 250,000 as of 31 December 2018 but exceeds USD 250,000 as of the last day of any subsequent calendar year, a Reporting Financial Institution shall complete its review within the calendar year following the year in which the amount exceeds USD 250,000 in accordance with the preceding two articles.
If there is a change of circumstances with respect to a Preexisting Entity Account that causes a Reporting Financial Institution to know, or have reason to know, that the self-certification or other documentation associated with such account is incorrect or unreliable, the Reporting Financial Institution shall re-determine the status of the account in accordance with the preceding two articles.

Section 5 Due Diligence for New Entity Accounts

Article 45
Upon a New Entity Account opening, a Reporting Financial Institution shall obtain and keep an Account Holder's self-certification that allows the Reporting Financial Institution to determine such Entity's resident countries or jurisdictions and to confirm the reasonableness of such self-certification based on other information obtained by the Reporting Financial Institution in connection with such account.
The "other information" mentioned in the preceding paragraph includes documentation collected pursuant to AML/KYC Procedures.
If a self-certification described in the first paragraph indicates that the Account Holder is a resident of a Reportable Jurisdiction, such account shall be treated as a Reportable Account unless the Reporting Financial Institution reasonably determines, based on information in its possession or that is publicly available, that such Account Holder is not a resident with respect to such Reportable Jurisdiction.
If a New Entity Account Holder certifies that it has no residence and the residence of the Account Holder cannot be determined in accordance with paragraph 1 of Article 25, the address of the principal office of the Entity may be relied on to determine the residence.

Article 46
A Reporting Financial Institution shall review whether a New Entity Account Holder is a Passive NFE and determine the resident countries or jurisdictions of Controlling Persons of a Passive NFE in accordance with subparagraphs 1, 2, and the first sentence of subparagraph 3 of paragraph 1 of Article 43.
If a New Entity Account Holder is determined to be a Passive NFE, and any of the Controlling Persons of such Passive NFE is a resident of a Reportable Jurisdiction in accordance with the preceding paragraph, such account shall be treated as a Reportable Account.

Section 6 Special Due Diligence Provisions

Article 47
If a Reporting Financial Institution knows or has reason to know that a self-certification or Documentary Evidence is incorrect or unreliable, the Reporting Financial Institution shall not rely on such documentation to implement the review.

Article 48
In the case of a beneficiary and a policyholder of a Cash Value Insurance Contract or an Annuity Insurance Contract being not the same person, an individual beneficiary specified in such contracts receiving a death benefit shall be presumed not to be a resident of a Reportable Jurisdiction, and such account shall not be treated as a Reportable Account. However, if the Reporting Financial Institution collects information associated with the beneficiary containing any of the indicia described in subparagraph 2 of paragraph 1 of Article 36, or has actual knowledge, or reason to know, that such beneficiary is a resident of a Reportable Jurisdiction, Article 36 and Article 37 shall be applied.

Article 49
A Reporting Financial Institution is required to aggregate the balance or value of all Financial Accounts of a customer maintained by such Reporting Financial Institution and by its Related Entity if its computerized systems contain the customer number or TIN which links Financial Accounts of a customer and allow account balances or values to be aggregated.
For purposes of calculating the aggregate balance or value of a jointly held Financial Account of an Account Holder, the entire balance or value of such jointly held account shall be attributed to each holder of such account.
When determining the aggregate balance or value of a Preexisting Individual Account to determine whether a Financial Account is a High Value Account, a Reporting Financial Institution is required to aggregate the balance or value of all Financial Accounts that a relationship manager knows, or has reason to know, are directly or indirectly owned, controlled, or established by the same person, except for the Financial Accounts held, controlled, or established in a fiduciary capacity by such person.

Chapter 4 Reporting Provisions

Article 50
After applying the due diligence procedures described in these Regulations to determine whether a Financial Account is a Reportable Account, each Reporting Financial Institution shall report the following information with respect to such account for the year to which the information relates:
1. The name, address, countries or jurisdictions of residences and TINs of an Account Holder of the account. In the case of an individual that is an Account Holder, date, country or jurisdiction and city of birth shall be included. In the case of Passive NFEs that are an Account Holders, the names, addresses, countries or jurisdictions of residences, TINs, dates, countries or jurisdictions and cities of birth of their Controlling Persons that are residents of the Reportable Jurisdictions shall be included.
2. The account number or functional equivalent.
3. The name and business administration number of the Reporting Financial Institution.
4. The account balance or value or, if the account was closed during the calendar year, the closure of the account.
5. In the case of a Custodial Account, the following information shall be included:
(1) The total gross amount of interest, the total gross amount of dividends, and the total gross amount of other income generated with respect to the assets held in such account, in each case paid or credited to, or with respect to the account during a calendar year.
(2) The total gross proceeds from the sale or redemption of Financial Assets paid or credited to such account during a calendar year with respect to which the Reporting Financial Institution acted as a custodian, broker, nominee, or otherwise as an agent for the Account Holder.
6. The total gross amount of interest paid or credited to a Depository Account during a calendar year.
7. In the case of any account not described in the preceding two subparagraphs, the total gross amount paid or credited to the Account Holder with respect to such account during a calendar year with respect to which the Reporting Financial Institution is the obligor or debtor.
8. The information reported shall identify the currency in which each amount is denominated.
A Reporting Financial Institution shall comply with the following subparagraphs in each following circumstances:
1. If a Reporting Financial Institution has no TIN or date of birth with respect to an Account Holder of a Preexisting Account, and is not otherwise required to collect such information under the laws of the ROC, the TINs or date of birth is not required to be reported as set forth in subparagraph 1 of the preceding paragraph. However, once such Preexisting Account is identified as a Reportable Account, a Reporting Financial Institution is required to use reasonable efforts to obtain the TINs and date of birth of such Account Holder by the end of the second calendar year following the

year in which such account was identified.
2. In the case that a Foreign Account is not a Reportable Account when a Reporting Financial Institution firstly reviews and identifies in accordance with the provisions of Chapter 3 after the implementation of these Regulations but such Foreign Account becomes a Reportable Account in subsequent years, the preceding subparagraph shall be applied if the Reporting Financial Institution has no TIN or date of birth of such Account Holder and the information is not otherwise required to be collected under the laws of the ROC.
3. If a Reportable Jurisdiction does not issue a TIN or its domestic laws do not require the collection of TINs issued by such Reportable Jurisdiction, a Reporting Financial Institution is not required to report the TINs set forth in subparagraph 1 of the preceding paragraph.
4. The information of the country or jurisdiction and city of birth shall be reported under subparagraph 1 of the preceding paragraph provided that the Reporting Financial Institution is required to obtain and report under the laws of the ROC, and it is available in the electronically searchable data maintained by the Reporting Financial Institution.

Article 51
A Reporting Financial Institution shall, within the period from June 1 to June 30 of each calendar year, report to the tax authorities the information of each Reportable Account and undocumented account in respect of a previous calendar year. If, during the calendar year, the Reporting Financial Institution maintains no aforementioned account, that fact shall be stated. The reporting period for gross proceeds described in item 2 of subparagraph 5 of paragraph 1 of the preceding article shall be announced by the Ministry of Finance.

Article 52
A Reporting Financial Institution may delegate a person to fulfill the due diligence and reporting obligations described in these Regulations.

Article 53
A Financial Institution shall keep relevant records and documentation relied upon for the performance of the procedures of due diligence and reporting in accordance with these Regulations for at least 5 years after complying with the reporting provision of Article 51, or a longer period as otherwise stipulated by other laws.

Chapter 5 Supplementary Provisions

Article 54
These Regulations shall enter into force from the date of promulgation.

Attachments： (英)金融機構執行共同申報及盡職審查作業辦法.pdf

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