

373 LIMITS ON INVESTMENT IN THE EQUITIES OF FINANCIAL ALLIED
UNDERTAKINGS

373 LIMITS ON INVESTMENT IN THE EQUITIES OF FINANCIAL ALLIED UNDERTAKINGS

The equity investment of a bank in a single financial allied undertaking shall be within the following ratios in relation to the total subscribed capital stock and to the total voting stock of the allied undertaking:

ACTIVITIES	INVESTOR						
	UB		KB		TB	RB	Coop Banks
Financial Allied Undertaking	Publicly-listed	Not listed	Publicly-listed	Not listed			
UBs	100%	49%	100%	49%	49%	49%	49%
KBs	100	49	100	49	49	49	49
TBs	100		100		49	49	49
RBs	100		100		49	49	100
Coop Banks	NA		NA		NA	NA	30
Insurance Companies	100		NA		NA	NA	NA
VCCs	60		60		60	49	49
Trust Corporation	100		49		40	40	40
Others	100		49		40	40	40

To promote competitive conditions, the Monetary Board may further limit the equity investments in QBs of UBs and KBs to forty percent (40%).

A publicly-listed UB or KB may own up to 100% of the voting stock of only one (1) other UB or KB. Otherwise, it shall be limited to a minority holding.

The guidelines in determining compliance with ceilings on equity investments in financial allied undertakings are shown in *Appendix 83*.

(Circular No. 858 dated 21 November 2014)