

Key IT firm may be China-owned

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An information technology company that provides key systems software for much of the country's financial institutions is alleged to have been bought by a major China-based investor, an opposition legislator said.

The purchase has raised questions among Democratic Progressive Party (DPP) lawmakers on just how much of Taiwan's sensitive financial data may have flown across the Taiwan Strait to Chinese companies.

DPP Legislator Pan Men-an (潘孟安) yesterday provided documents showing that Harmonation Inc, a company headquartered in Taipei, was 85 percent owned by Camelot Information Systems, a Chinese-run consulting company set up in Taiwan in 2006.

Camelot, the Beijing--headquartered parent company of the same name, also runs VLife Technology Co and Hwawei Information, two firms that also provide consulting and management services for banks and insurance providers, Pan said.

In addition, Harmonation Inc is also the sole provider of computer systems that grade test papers for public service exams and entrance examinations at colleges and universities.

"This means that Chinese-owned companies already have access to the financial data of millions of people nationwide. This is in addition to information from hundreds of thousands of university applicants," Pan told the legislature.

Under new guidelines adopted in June for Chinese businesses that have investments in Taiwan, the three business run by Taiwan's Camelot Information Systems should be classified as Chinese-run, as their parent company is run by Simon Ma (馬繼祥), a Chinese investor, Pan said.

The move would limit the companies' abilities to participate in public tenders and could mean that Harmonation Inc would no longer be permitted to provide test paper grading systems for the government.

"That's because down the road, this could have an impact on national security — especially as the Ministry of Economic Affairs is not properly addressing this issue," Pan said.

Inquiries to Harmonation Inc were referred to managers at Camelot Information Systems, which by press time had yet to return requests for comment.

In a press release, the ministry yesterday defended its decision to classify Camelot and its subsidiaries as foreign-owned rather than Chinese-run companies.

The Beijing-headquartered parent of the company is registered in the British Virgin Islands

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and four of its six board members are British and US citizens, including Ma, the ministry said.

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