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- FSC continues promoting sustainable finance to support policy of net-zero emissions by 2050
- FSC urges banks to treat elderly customers fairly and reasonably
- FSC pushes securities & futures firms to adopt better safeguards for elderly customers
- FSC pushes insurers to adopt better safeguards for elderly customers

Policy and Law

FSC continues promoting sustainable finance to support policy of net-zero emissions by 2050

To align with President Tsai's announcement of Taiwan's commitment to achieving net-zero emissions by 2050, the National Development Council on 30 March 2022 published the "Taiwan's pathway to net-zero emissions in 2050." The FSC actively supports the national carbon reduction policy and will continue to promote green finance and employ the influence of financial institutions in managing and using funds to spur enterprises to address issues of sustainability. Besides, the FSC has adopted the "Sustainable Development Guidemap for TWSE and TPEX Listed Companies," which calls for a phased implementation of GHG emission information disclosure for listed companies. The FSC will also employ a "big companies lead the way" approach to help Taiwan make good on its commitment to achieving national net-zero emissions.

To guide financial institutions and enterprises to attach importance to climate change issues and sustainable development, and further to build up a more completely developed sustainable finance ecosystem, the FSC continues promoting the "Green Finance Action Plan" with the following four approaches:

1. Utilize decision making power of financial institutions' funding and investment to drive enterprises towards sustainable development.
2. Strengthen enterprises' information disclosure to make investors and stakeholders better understand the identified risks and their responses to the risks.
3. Strengthen climate resilience of financial institutions so that they can respond more actively to climate related and ESG risks as well as seize business opportunities.
4. Assist financial institutions in their efforts to support enterprises, and effectively spur a low-carbon transformation.

The FSC, by promoting its sustainable finance policies, intends to prudently and steadily incorporate the concept and spirit of sustainability into industry cultures, to build a fully developed ecosystem, and to bring about a healthy cycle of sustainable development so that everyone can share in the fruits of sustainability.

FSC urges banks to treat elderly customers fairly and reasonably

To guide domestic banks to attach greater importance to protecting the interests of elderly financial customers, the Bankers Association of the Republic of China (BAROC) has drafted a set of "Self-Regulatory Rules for Fair Treatment by Banks of Elderly Customers," which were filed with and accepted by the FSC on 23 March 2022. These Self-Regulatory Rules were drafted with reference to the UK Financial Conduct Authority's "FG21/1 Guidance for firms on the fair treatment of vulnerable customers" and past supervisory experience involving dealings between banks and elderly customers.

The term "elderly customer" in these rules means "persons aged 65 or older" as defined in Article 2 of the "Senior Citizens Welfare Act." Banks will be required in the future by these self-regulatory rules to take various measures to strengthen safeguards for elderly customers. Such measures will include the following: (1) take appropriate steps to understand the banking needs of elderly customers; (2) establish a system to help elderly customers express their needs, which may include recording and inquiring into the needs of such customers; (3) establish a database for complaints filed by elderly customers, and periodically review the details of such complaints and how they were handled; (4) when providing elderly customers with trading services involving investment-type financial products, a bank must have an appropriate suitability analysis system; (5) use communication methods that elderly customers find easy to understand, and explain related information; (6) adopt standard measures that service counter personnel will follow to protect elderly customers who conduct irregular financial transactions; and (7) establish a training program to ensure that employees treat elderly customers in a friendly manner.

The FSC has granted banks a 6-month buffer period before these self-regulatory rules enter into force on 1 October 2022, and has asked them to: (a) coordinate with the self-regulatory rules by adopting their own internal operating rules; and (b) include compliance with the self-regulatory rules among the items requiring attention in their internal audits. The FSC also asked BAROC to hold informational meetings as necessary for its member banks to ensure that they properly implement the self-regulatory rules.

FSC pushes securities & futures firms to adopt better safeguards for elderly customers

In order to guide domestic securities firms and futures commission merchants to attach greater importance to protecting the interests of elderly financial customers, the FSC asked the Taiwan Securities Association, the Securities Investment Trust and Consulting Association of the R.O.C., and the Chinese National Futures Association (hereinafter collectively referred to as "the three securities and futures industry associations") to establish, respectively, "Self-Regulatory Rules for the Provision by Securities Firms of Financial Services to Elderly Customers," "Suitability Evaluation Criteria for Financial Products and Services Offered to Elderly Customers by Securities Investment Trust Enterprises (SITEs) and Securities Investment Consulting Enterprises (SICEs)," and "Suitability Evaluation Criteria for Financial Products and Services Offered to Elderly Customers by Futures Service Enterprises." The FSC also asked the Chinese National Futures Association to amend the "Self-Regulatory Rules for Management of Account Opening Due Diligence and Provision of Financial Services to Elderly Customers" (hereinafter, the "Self-Regulatory Rules"), and required securities and futures firms to incorporate these Rules into their internal control systems.

The self-regulatory rules drafted by the three securities and futures industry associations have already been filed with and accepted by the FSC. The term "elderly customer" in these rules means "person aged 65 or older" as defined in Article 2 of the "Senior Citizens Welfare Act." Securities and futures firms will be required in the future by these self-regulatory rules to strengthen safeguards for elderly customers. Such measures include the following: (1) for KYC procedure, design appropriate risk profile assessment mechanism for elderly customers that matches their risk characteristics; (2) for KYP procedure, properly consider relatively impactful factors, and fully reflect a product's risk rating and its characteristics; (3) when conducting suitability analysis for elderly customers, properly assess and explain the suitability of any product being recommended and the reasons for the recommendation; (4) the advertising and contractual documents must be made easily readable when providing financial services to elderly customers; (5) when an elderly customer behaves in an unusual manner, firms are advised to show concern and make inquiries; and (6) establish a transaction inspection or confirmation system for the selling of high-risk products to elderly customers, and elderly customer transaction monitoring and enhanced inspection mechanisms.

The FSC has granted a 6-month buffer period, and the self-regulatory rules will enter into force from 1 October 2022. In addition, the FSC has also asked the three securities and futures industry associations to provide their member firms with assistance in adopting their own internal operating rules and strengthening training measures for employees, and has also asked the associations to hold informational meetings as necessary to facilitate implementation.

FSC pushes insurers to adopt better safeguards for elderly customers

Taiwan formally became an aged society in 2018, so in order to further strengthen the safeguards that insurers have in place to protect the right of elderly consumers to purchase insurance, the FSC is encouraging insurers to adopt stronger measures for the protection of elderly consumers. On 29 March 2022, the FSC amended the "Regulations Governing Pre-sale Procedures for Insurance Products" and the "Regulations Governing Business Solicitation, Policy Underwriting and Claim Adjusting of Insurance Enterprises," and on 31 March amended the "Directions for the Review of Life Insurance Products," the "Directions for Sale of Investment-linked Insurance Products," and the "Compliance Matters for Disclosure of Information on Investment-linked Insurance." Key points of amendments to provisions in the aforementioned legislation pertaining to protection of the interests of elderly consumers include the following:

1. Improve KYP measures related to product design:

- (1) When an insurer engages in product development, it must assess the potential impact of a product's characteristics upon customers aged 65 or older and various adverse factors. Assessments must address the question of whether a product is suitable for sales to customers aged 65 or older.
- (2) Before an insurer begins selling an insurance product, it must hold awareness activities for its solicitors and cooperating sales channels to discuss whether particular products are suitable for elderly customers, identify the types and characteristics of customers for which they are unsuitable.
- (3) After an insurance product has been sold, an insurer must periodically reassess whether the product has any adverse impact on elderly customers, and whether the firm has failed to ensure product suitability according to policyholder disputes in the past.

2. Improve KYC measures related to solicitation and underwriting

procedures:

- (1) An insurer must require its solicitors and underwriters to take part each year in training activities that focus on fair treatment of customers aged 65 or older.
 - (2) Solicitors and underwriters must assess whether customers aged 65 or older have the ability to recognize circumstances that are adverse to their interests as insurance customers. In solicitation reports, solicitors must also clearly set out the assessment results and the reasons therefor.
 - (3) The threshold age of elderly customers which requires the process for sales of traditional insurance products must be recorded in audio or audio-video format, and enhanced assessing of product suitability in underwriting procedures is lowered from 70 to 65.
 - (4) For any customer who is aged 65 or older and has purchased an insurance product with non-forfeiture value, an insurer must interview the customer via telephone, video call, or other remote means both after the sale and before commitment to insure.
3. Improving disclosures related to investment-linked insurance:
- (1) For any customer who seeks to purchase an investment-linked insurance product, an insurer must provide a recommendation slip, and the recommendation slip must be compliant with applicable requirements regarding the manner in which it discloses policy account value in each policy year.
 - (2) For any customer who is 65 or older or has a physical or mental disability and seeks to purchase an investment-linked insurance product, an insurer must provide friendly measures to help them read sales literature easily.
4. Date of implementation: The FSC has granted a 6-month buffer period before enforcement of strengthened KYP and KYC measures set out in the aforementioned legislation, which will enter into force from 1 October 2022.

FSC amends Article 8 of "Regulations Governing Cross-selling Among a Financial Holding Company's Subsidiaries"

Under the amendment to the "Regulations Governing Cross-selling Among a Financial Holding Company's Subsidiaries" adopted on 26 February 2021, the FSC provided that when banks and securities firms that concurrently engage in trust business related to insurance claims trust, the insurance subsidiaries under the same financial holding company may solicit or act as processing agents for the trust product. When insurance solicitors engage in cross-selling only of insurance claims trusts, the trust legislation, business scope, and contractual provisions that they need to understand are limited to the kind of trusts and have nothing to do with other types of trust business; in light of this fact, the FSC has more recently agreed to reduce the number of hours of training that insurance solicitors are required to complete. This easing of training requirements will facilitate the efforts of insurers to develop their insurance trust business. Toward that end, the FSC has announced the amendment to the Article 8 of the aforementioned Regulations. The amended provisions require fewer hours of pre-job and on-the-job training, and ease requirements regarding training organizations.

FSC issues ruling on Article 4, Paragraph 2 of "Regulations Governing Investment in Securities by Overseas Chinese and Foreign Nationals"

The Taiwan Futures Exchange (TAIFEX) system for central clearing of OTC derivatives requires that when TAIFEX handles central clearing operations for trading by overseas Chinese and foreign nationals in NT Dollar-denominated domestic OTC derivatives, variation margins and mark-to-market gains and losses must be collected in NT Dollars, and the amount shall be calculated in accordance with the ruling on Article 4, Paragraph 2 of the "Regulations Governing Investment in Securities by Overseas Chinese and Foreign Nationals," which is issued by the FSC on 28 March 2022, and shall not exceed 30% of the funds remitted by them.

FCMs get green light to invest their own funds to establish trading companies to conduct warehouse receipt business in Taiwan

To support the real economy and enable futures commission merchants (FCMs) to make more flexible use of own funds, the FSC on 7 April 2022 issued an order whereby domestic FCMs that exclusively engage in futures business are now allowed to invest their own funds in Taiwan to establish trading companies to conduct warehouse receipt business.

Executive Yuan approves draft amendment to "Compulsory Automobile Liability Insurance Act," forwards it to Legislative Yuan for deliberations

To coordinate with a proposed amendment to the "Road Traffic Management and Penalty Act," the owners of electric bicycles will

be required to enroll in compulsory auto liability insurance, and the requirement for vehicle owners to keep their compulsory auto liability insurance current will be strengthened. The FSC drafted a proposed amendment to the "Compulsory Automobile Liability Insurance Act" and submitted it to the Executive Yuan for review. On 10 March 2022 the Executive Yuan approved the proposed amendment and forwarded it to the Legislative Yuan for deliberations. Key points of the amendment include the following:

1. A newly added provision will deem "electric bicycles" to be "cars" as defined in the "Compulsory Automobile Liability Insurance Act" for which the owner must obtain compulsory automobile liability insurance. (see amended Article 5-1)
2. It is expressly stated that electric bicycles, cars, and motorcycles shall have separate accounts and an owner of an electric bicycle who fails to obtain compulsory automobile liability insurance will receive an administrative fine. (see amended Articles 38 and 49)
3. The scope of situations where failure to obtain compulsory automobile liability insurance must be reported has been expanded to include instances in which a person without compulsory automobile liability insurance has violated the "Road Traffic Management and Penalty Act," in which case such failure shall be reported along with the violation of said Act. Meanwhile, the pre-amendment provision which required the impoundment of the automobile license plate when an uninsured automobile causes an accident, has been eliminated. (see amended Articles 49 and 50)
4. A newly added article provides that when a party with the obligation to insure fails to renew a compulsory automobile liability insurance policy over six months of a policy's expiration, the competent authority may refer the matter to the road supervisory authority for cancellation of the automobile license plate. (see amended Article 51-1)
5. The amended Act expressly provides that its date of implementation shall be determined by the Executive Yuan. (see amended Article 53)

FSC prohibits SITEs and SICEs from influencing control over investee companies

Based on the fact that the funds in the securities investment trust businesses and discretionary investment businesses operated by securities investment trust enterprises (SITEs) and securities investment consulting enterprises (SICEs) come from the investing public and customers, the FSC on 22 March 2022 issued a directive to the effect that investments made by SITEs and SICEs in securities investment trust funds and discretionary investment assets may not be used to intervene in battles for control of enterprises in which a SITE or SICE has invested or the investee companies' direct or indirect investment business, nor may they help other parties to obtain or consolidate control over such enterprises. This prohibition is intended to ensure that SITEs and SICEs operate in keeping with the way their enterprise funds are utilized, to safeguard investors, and to uphold the public interest.

Industry Updates

EUI Money receives permit to provide small-amount remittance services for foreign migrant workers

On 1 April 2022, the FSC granted permission for Eastern Union Interactive Corp. (EUI Money) to provide small-amount remittance services for foreign migrant workers. As of April 2022, there were two foreign migrant worker remittance companies that provide small-amount remittance services for foreign migrant workers.

FSC approves E.Sun Commercial Bank to apply with financial authorities in Japan to establish branch in Fukuoka, Japan

On 24 March 2022, the FSC granted approval for E.Sun Commercial Bank to apply with financial authorities in Japan to set up a branch in Fukuoka. After assessing economic and financial conditions in Japan as well as the state of bilateral trade and investment ties between Taiwan and Japan, E.Sun decided to apply to set up a branch in Fukuoka in order to strengthen its overseas presence, further build up a comprehensive financial services network, and boost its overseas business growth momentum. Currently, 8 Taiwanese banks have established 1 subsidiary and 9 branches in Japan (8 branches in Tokyo and 1 in Osaka).

FSC debunks online rumor about "plan by Russia to confiscate government bonds purchased by investors from Taiwan"

With regard to an online rumor about "a plan by Russia to confiscate government bonds purchased by investors from Taiwan," the FSC recently issued the following clarification:

1. In its latest public pronouncements, the Central Bank of Russia has indicated that for non-ruble denominated Russian government bonds

purchased by investors from any of various named countries, Russia will use rubles to make principle and interest payments on the bonds. No mention of "confiscation" has been made. As of this time, we have not seen any reports from overseas about Russia confiscating government bonds that investors from Taiwan have bought from Russia.

2. The FSC has asked financial institutions to strengthen risk controls in response to changing conditions of geopolitical and political economic conditions, and to value their bond positions and set aside loss provisions against those positions in accordance with financial reporting standards and accounting standards.

FSC recognizes top performing insurers in promoting the program for improving insurance protection for the people, microinsurance business, and investments in the "five plus two" key innovative industries and public infrastructure projects

To ensure that insurance properly fulfills its protection function and provides citizens with adequate life insurance coverage, and to encourage insurers to develop microinsurance business, the FSC is conducting the "Program for Improving Insurance Protection for the People" and "Directions for Insurance Companies to Engage in Microinsurance Business." For insurers that have performed especially well, the incentive measures includes a number of products that would normally be reviewed subject to prior approval rules are handled instead by use-and-file rules, the names of top-performing insurers would be periodically released, and priority review of related application. In addition, to encourage insurers to invest in domestic infrastructure projects and the "five plus two" key innovative industries, thus helping to stimulate domestic economic development, insurers whose investment performance in these areas is especially good are also rewarded with a number of products which would be reviewed from prior approval rules to use-and-file rules. As part of its 2021 "Program for Improving Insurance Protection for the People," the FSC singled out 14 life insurance companies to receive rewards for outstanding performance in the conduct of microinsurance business, as follows: Bank Taiwan Life Insurance Co., Taiwan Life Insurance Co., Cathay Life Insurance Co., China Life Insurance Co., Nan Shan Life Insurance Co., Shin Kong Life Insurance Co., Mercuries Life Insurance Co., First Life Insurance Co., BNP Paribas Cardif TCB Life Insurance Co., TransGlobe Life Insurance, Cigna Taiwan Life Assurance Co., AIA Taiwan, Cardif Taiwan Inc., and Chubb Life Taiwan. Another 6 life insurance companies were honored for their excellent conduct of microinsurance business, as follows: Taiwan Life Insurance Co., Cathay Life Insurance Co., China Life Insurance Co., Nan Shan Life Insurance Co., Shin Kong Life Insurance Co., and Fubon Life Insurance Co. In addition, a total of 9 life insurance companies were recognized for outstanding performance in investing in domestic infrastructure and the "five plus two" key innovative industries, as follows: Taiwan Life Insurance Co., Cathay Life Insurance Co., China Life Insurance Co., Shin Kong Life Insurance Co., Fubon Life Insurance Co., Far Glory Life Insurance Co., Hontai Life Insurance Co., Taishin Life Insurance, and TransGlobe Life Insurance.

NPL Ratio for Domestic Banks as of the End of March 2022

The total outstanding loans extended by the current 39 domestic banks increased by NT\$311.7 billion (US\$10.89 billion) as compared to the figure of previous month and amounted to NT\$34.65 trillion (US\$1,210.7 billion) at the end of March 2022. Meanwhile, the NPLs of these banks totaled at NT\$56.4 billion (US\$1.97 billion) which decreased by NT\$6.2 billion (US\$0.22 billion) from NT\$62.6 billion (US\$2.19 billion) as of the end of the previous month. With a slight decrease of 0.02 percentage point, the average NPL ratio of the 39 banks fell to 0.16% down from 0.18% at the end of previous month, and was down by 0.07 percentage points compared to the same month last year.

The coverage ratios of allowances for NPLs increased by 86.33 percentage points and therefore rose to a figure of 817.25% from 730.92% of the previous month. The asset quality of domestic banks continuously remained manageable according to the above figures as of the end of March 2022. The FSC will request banks to undertake measures to improve asset quality and financial structure on an ongoing basis.

NPL situation of credit cooperatives at the end of March 2022

Total NPLs at Taiwan's 23 credit cooperatives stood at approximately NT\$0.638 billion as of the end of March 2022, generating an NPL ratio of 0.11%, the same as the ratio at the end of February 2022. The NPL coverage ratio was 1,794.85%, down by 20.78 percentage points from 1,815.63% at the end of February 2022.

Net foreign and mainland China investment in listed shares

As of the end of March 2022, foreign investors in the year to date had bought around NT\$4.6803 trillion and sold around NT\$5.872 trillion worth of shares listed on the Taiwan Stock Exchange, amounting to a net-sell of around NT\$406.9 billion. In addition, foreign investors in

the year to date had bought around NT\$773.1 billion and sold around NT\$802.7 billion worth of shares listed on the Taipei Exchange, amounting to a net-sell of around NT\$29.6 billion. Meanwhile, mainland China investors had bought around NT\$0.6 billion and sold around NT\$1.5 billion worth of shares listed on the Taiwan Stock Exchange, amounting to a net-sell of about NT\$0.9 billion; and mainland China investors had bought NT\$0.1 billion and sold around NT\$0.3 billion worth of shares listed on the Taipei Exchange, amounting to a net-sell of around NT\$0.2 billion. As for inward remittances by foreign and mainland China investors, the figure for cumulative net inward remittances by offshore foreign institutional investors, offshore overseas Chinese, and foreign nationals at the end of March 2022 stood at approximately US\$228.9 billion, down by around US\$5.9 billion from US\$234.8 billion at the end of February 2022. The figure for cumulative net inward remittances by mainland China investors was US\$29 million, up by around US\$3 million from US\$26 million at the end of February 2022.

Sales statistics of foreign-currency denominated products by life insurance industry as of the end of January 2022

The sales statistics of foreign-currency denominated products by life insurance industry as of the end of January 2022 were as follows: Premium revenues from new foreign-currency denominated policies amounted to around NT\$69.298 billion, up by 15% from NT\$60.276 billion year-on-year. Within these figures, investment-linked insurance products accounted for NT\$27.737 billion (around 40% of the total), down by 9% from NT\$30.414 billion year-on-year, and the sales of traditional insurance products totaled NT\$41.561 billion (around 60% of the total), up by 39% from NT\$29.862 billion year-on-year.

Profit/loss, net value, exchange gains/losses, hedging gains and losses, and foreign exchange volatility reserves of insurance enterprises as of end-February 2022

The pre-tax profit of insurance enterprises at the end of February 2022 was NT\$98.2 billion, down by NT\$23.1 billion, or 19.0%, year-on-year. Breaking down that figure, the pre-tax profit of life insurance enterprises was NT\$92.4 billion, down NT\$24.9 billion, or 21.2% year-on-year, while the pre-tax profit of non-life insurance enterprises was NT\$5.8 billion, up NT\$1.8 billion, or 45%, year-on-year.

The owners' equity of all insurance enterprises at the end of February 2022 was NT\$2,398.3 billion, down by NT\$98.1 billion, or 3.9%, from the corresponding period. Breaking down that figure, the owners' equity of life insurance enterprises was NT\$2,240.6 billion, a decrease of NT\$108.3 billion, or 4.6%, and the owners' equity of non-life insurance enterprises was NT\$157.7 billion, up by NT\$10.2 billion or 6.9%.

As of the end of February 2022, the NT Dollar had depreciated by 1.2% against the US Dollar since the end of 2021, and the cumulative balance of the foreign exchange valuation reserves of life insurance enterprises was NT\$75.2 billion, up by NT\$31.5 billion. Meanwhile, the combined impact of exchange gains/losses, hedging gains/losses, and the net effect of volatility on the foreign exchange valuation reserve of life insurance enterprises as of end-February 2022 was NT\$3.9 billion. Over the same period, the overseas investments of life insurers resulted in net gains (including exchange gains/losses and hedging gains/losses, but not including the net effect of volatility on the foreign exchange valuation reserve) of NT\$185.7 billion.

Investor and Consumer Protection

FSC urges caution in purchase of interest-sensitive insurance products

The FSC recently reminded consumers that interest-sensitive insurance products (e.g. interest-sensitive life insurance, interest-sensitive annuity insurance, and universal insurance) are insurance products by nature. Insurance companies collect premiums and ancillary fees that are sufficient to fund the provision of insurance protections, and a declared interest rate is not guaranteed, so when consumers purchase interest-sensitive products they need to carefully select a product that best meets their needs, and in doing so should note the following matters:

1. A declared interest rate is used for the purpose of computing the non-forfeiture value of an interest-sensitive insurance product; the rate is not fixed or guaranteed throughout the life of an insurance policy, and is not equivalent to the investor's rate of return.
2. Each insurer's declared interest rate differs over time, so consumers would be well advised not to select a particular product just because its declared interest rate happens to be higher at a particular point in time. Instead, a consumer should also understand a company's policy on interest rate declarations and its historical declared interest rates, and should carefully examine whether a product's scope of coverage meets their needs.
3. If a policyholder wishes to surrender a policy prior to maturity, the insurer will still collect a surrender charge, and it is possible that the

policy surrender may prevent the policyholder from recovering the full amount of premiums paid.

4. For interest-sensitive insurance products denominated in a foreign currency, the premiums and policy proceeds are paid in that foreign currency, so consumers need to pay special attention to exchange rate risks.

FSC urges the public to engage in futures trading only via legitimate FCMs

The FSC recently urged the general public to be sure they are dealing with a legitimate FCM before engaging in futures trading to protect their own interests. Illegal FCMs do not have professional expertise in the futures industry, nor do they have any trader protection measures in place. When soliciting their services, they typically offer low service fees, waive margin requirements, and promise unreasonably good profitability prospects to lure traders into trading via underground futures companies. In addition, illegal FCMs sometimes broker or solicit futures business in the name of licensed FCMs, which affects property security of traders.

The FSC Securities and Futures Bureau has set up a special "financial information" zone and a "preventing underground futures companies" zone on its official website, providing a list of licensed FCMs and describes what illegitimate futures firms are often like, the solicitation tricks they generally use, and how to avoid being swindled. To be sure whether a firm is legitimate, the general public can check a list of legitimate firms by visiting the website of the TAIFEX or the Chinese National Futures Association. Related information include the phone numbers and basic identifying information of legitimate firms, and people can use the telephone numbers to confirm the accuracy of the information with the firms. In addition, the Chinese National Futures Association is available to consult whether FCMs or solicitors are legal or not.

2022 Financial Literacy Campaign for the Campus and Community

In the month of April 2022, the FSC held 57 activities at different locations, including the Chiayi Armed Forces Finance Section, as part of the 2022 Financial Literacy Campaign for the Campus and Community, attracting 5,336 participants. The Financial Literacy Campaign is free of charge, and has struck a chord with many people since its inception in 2006. As of the end of 2021, a total of 7,351 events had been held and over 1.1 million people had attended. The target participants include students at all levels, communities, women's groups, indigenous people, immigrants, military service personnel, correctional institutions, social welfare groups, senior citizens' groups, police, fire fighters, coast guard personnel, and taxi drivers.

The Banking Bureau of the FSC will continue to promote the financial literacy campaign in 2022. Schools or community groups interested in the campaign are invited to register through the website of the Banking Bureau. For more information, please contact us at (02) 8968-9710.

Major Enforcement Actions

FSC imposes sanctions on Daniel Securities Investment Consulting, Ltd.

The FSC recently imposed administrative fines totaling NT\$3 million on Daniel Securities Investment Consulting, Ltd. (DSIC) and ordered the firm to dismiss its chairperson after the Securities Investment Trust and Consulting Association of the R.O.C. (SITCA) discovered during a routine examination of the company's business operations that DSIC had: (a) lent company funds on repeated occasions to the company's chairperson; (b) conducted business for which it had not received approval; (c) arbitrarily changed its place of business; and (d) allowed its personnel to concurrently hold positions at other companies. The amounts of the fines were set in accordance with Article 111, Subparagraphs 1, 7, 8, and 9 of the "Securities Investment Trust and Consulting Act," while the dismissal order was issued on the authority of Article 103, Subparagraph 2 of the same Act.

FSC imposes sanctions on Cathay United Bank

The FSC recently imposed an administrative fine of NT\$2 million on Cathay United Bank after discovering that numerous recent occurrences of information system irregularities affected the ability of customers to enjoy stable access to financial services. Related deficiencies show that Cathay United has failed to establish a good internal control system or properly implement it, which constitutes a violation of Article 45-1, Paragraph 1 of the "Banking Act." The fine was imposed pursuant to Article 129, Subparagraph 7 of the same Act. Also, acting on the authority of Article 61-1, Paragraph 1, Subparagraph 9 of the "Banking Act," the FSC, to protect customers' interests, ordered that—with respect to new off-premises automatic teller machines (ATMs) that Cathay United received permission from the FSC to set up in 2022—the bank must suspend the setting up of such ATMs except for barrier-free ATMs and ATMs in financially underserved areas.