

# 金融展望月刊

## Financial Outlook Monthly

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\*The Chinese version rules if  
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《Chinese version please refer to page 1》

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Ministry of Justice Anti-Corruption Hotline 0800-286-586  
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- FSC promulgates “Operational Directions for Financial Institutions Applying for Business Trials in Local Asset Management Zones”
- FSC continues promotion of Program to Encourage Lending by Domestic Banks to Enterprises in Six Core Strategic Industries
- FSC removes 30 percent cap on the proportion of each component security tracked in domestically issued stock index funds to the market value of the index

### Policy and Law

#### *FSC promulgates “Operational Directions for Financial Institutions Applying for Business Trials in Local Asset Management Zones”*

On 1 April 2025, the FSC announced the “Operational Directions for Financial Institutions Applying for Business Trials in Local Asset Management Zones,” the key points of which are as follows:

1. Allowing banks, securities investment trust enterprises, securities investment consulting enterprises, securities firms, and insurance enterprises to enter a local asset management zone to conduct pilot operations. These operations encompass five core services: an integrated one-stop financial services platform, increased flexibility for customers' fund utilization, cross-border financial services, diversified products and services, and the promotion of greater inter-institutional collaboration within the financial industry to provide customers with more comprehensive asset management services.
2. Where the results of pilot operations by financial institutions in the zones (generally observed over a period of six months to one year) demonstrate a positive impact to market development, the FSC will proceed to amend relevant regulations or request industry associations to review and revise applicable standards to formalize the regulatory framework for these pilot programs.

#### *FSC continues to promote Program to Encourage Lending by Domestic Banks to Enterprises in Six Core Strategic Industries*

To coordinate with the Program for Promoting Six Core Strategic Industries adopted by the Executive Yuan and to meet the developmental needs of these industries, the FSC launched the “Program to Encourage Lending by Domestic Banks to Enterprises in Six Core Strategic Industries” (hereinafter, “the Program”) on 28 January 2022 to encourage banks to proactively extend loans to enterprises in these industries while still maintaining proper risk control. As of the end of December 2024, loans extended to enterprises in the Six Core Strategic Industries by domestic banks amounted to NT\$7,897.5 billion, representing a significant increase of NT\$1,978.1 billion compared to the end of March 2022, when the program was first implemented. This demonstrates that the Program has been effective in encouraging domestic banks to proactively provide loans to enterprises in the Six Core Strategic Industries.

Taking into consideration the changing global situation, and with a view to enhancing the competitiveness of enterprises in the Six Core Strategic Industries, the Program will be continued for a fourth year in 2025 and is expected to encourage additional lending of NT\$380 billion by domestic banks to these enterprises, thereby continuing to create a financing environment conducive to the growth of these industries and to advancing the nations' overall sustainable development goals.

#### *FSC promotes policies on digital insurance firms, announces draft revisions to the Regulations for Establishment and Administration of Insurance Enterprises and other regulations*

To encourage the introduction of innovative technologies into the insurance industry, the FSC announced draft revisions to seven regulations on 11 April 2025, including the “Regulations for Establishment and Administration of Insurance Enterprises,” “Regulations Governing Pre-sale Procedures for Insurance Products,” “Regulations Governing Business Solicitation, Policy Underwriting and Claims Adjusting of Insurance Enterprises,” “Regulations Governing Public Disclosure of Information by Non-life Insurance Enterprises,” “Regulations Governing Public Disclosure of Information by Life Insurance Enterprises,” “Regulations Governing Non-Life Insurance Enterprises Engaging in Injury Insurance and Health Insurance,” and “Regulations for Establishment and Administration of Foreign Insurance Enterprises.”

These revisions relax conditions for establishing Internet-only insurers, including their operating models, the scope of qualifications for founders, reducing paid-in capital



requirements, and changing the period for applying to set up such an enterprise. Additionally, it changes the terminology to the more internationally common "digital insurer" while providing protections for innovative products and services. Further, to help with inquiries on establishing a digital insurance firm, the FSC's Insurance Bureau will hold supervisory clinics. Related information will be posted on the "Digital Insurers" section of the Insurance Bureau's website.

### **FSC removes 30 percent cap on the proportion of each component security tracked in domestically issued stock index funds to the market value of the index**

Taking into account the rapid development of Taiwan's technology sector in recent years, in particular the important role Taiwan's semiconductor industry plays in the global market, the market value of firms in related industries has increased. To enhance investment flexibility for stock index funds, the FSC has considered the opinions of scholars and industry insiders vis-à-vis stock index funds presented via the Financial Action Innovation Regulation Adaptation Platform and has approved of revisions to Article 3 of the "Recognized Issuers and Underlying Index Qualifications for Stock Index Funds" drafted by the Taiwan Stock Exchange (TWSE). The amendment states that, following the revision, index components may only be domestically listed stocks, and that the cap on index market value share of constituent stocks is to be increased from the current 30 percent to the stock's share of the TWSE's issuance-weighted stock price index. However, a 65 percent cap for the cumulative share accounted for by the top five constituent stocks will apply.

The FSC will continue to work through the Platform and collect a broad range of opinions from all parties as concerns financial policies, laws, and regulations in an effort to both secure and develop financial markets and increase the international competitiveness of Taiwan's securities and futures industry.

### **FSC amends certain articles of the "Standards Governing the Establishment of Securities Firms," "Regulations Governing Securities Firms," and "Regulations Governing Responsible Persons and Associated Persons of Securities Firms"**

To respond to investment and transaction patterns emerging from fintech innovations, and to help fintech companies with regulatory adjustments so as to implement innovative experiments and spur the development of the fintech industry, the FSC adopted amendments to Articles 3 and 11 of the "Standards Governing the Establishment of Securities Firms," Article 45-1 of the "Regulations Governing Securities Firms," as well as Article 21-1 of the "Regulations Governing Responsible Persons and Associated Persons of Securities Firms" on 8 May 2025. These changes permit securities dealers to handle the "self-purchase and sale of certain foreign bonds business" such that they may provide investors with certain foreign bonds at less than face value. A capital requirement for securities dealers that only engage in this business has been set at NT\$100 million, and it has been clearly stipulated that securities dealers operating this business are to comply with the regulations of the Taipei Exchange.

### **FSC amends certain articles of the "Regulations Governing the Offering and Issuance of Securities by Securities Issuers" as well as Tables 5 to 7 and Tables 10 to 12 appended to Article 12 and Table 32 appended to Article 72**

To improve the investment worthiness and liquidity of corporate bonds and enhance investor rights, the FSC announced amendments to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers on 5 May 2025, the key points of which are as follows:

1. Permitting holders of convertible (exchangeable) corporate bonds and corporate bonds with stock options to apply for conversion during the book closure period in accordance with the regulations concerning exchanges or stock subscriptions established by the issuer. Changes to shareholder list records shall be handled in accordance with relevant provisions of the Company Act. The amendments take effect from 1 July 2025.
2. Other revisions: So as to achieve uniformity of language, in line with the Ministry of Economic Affairs' reorganization, the names of Ministry agencies listed in the Regulations and concerned in relevant laws and regulations have been amended in attachments to the appendix of these guidelines.

### **FSC amends "Regulations Governing Book-entry Operations for Centrally Deposited Securities"**

In response to the promulgation and implementation of amendments to the Electronic Signature Act, the FSC issued amendments to Articles 34 and 35 of the "Regulations Governing Book-entry Operations for Centrally Deposited Securities" on 14 May 2025, clearly stipulating that customers who apply to participants for centralized custody and account-book transfers as per the stipulations of the Electronic Signature Act need not present their

passbook to the participant. The original seal or signature used by the customer should be provided in a digital signature.

### **FSC revises "Regulations Governing Responsible Persons and Associated Persons of Futures Commission Merchants," "Regulations Governing Leverage Transaction Merchants," "Regulations Governing Futures Trust Enterprises," "Regulations Governing Managed Futures Enterprises," "Regulations Governing Futures Advisory Enterprises," and "Regulations Governing the Operation of Futures Introducing Broker Business by Securities Firms"**

To help futures enterprises recruit outstanding personnel, increase workforce scheduling and utilization flexibility, and achieve the vision of enhancing the futures enterprises' competitiveness, the FSC amended related regulations on 6 May 2025. The key points are as follows:

1. Revising the pre-employment training timeframe from six months prior to taking up a position to being within six months of taking up a position.
2. Adding a stipulation that futures salespersons who have not taken pre-employment training or did not pass pre-employment training and who undergo additional training within one year but still perform unsatisfactorily shall have their license revoked.

### **FSC revises "Directions for Insurance Enterprises Engaging in Electronic Commerce Business" and "Directions for Promoting Insurance Service Business through Collaboration with Business Entities in Other Industries"**

On 15 April 2025, the FSC announced amendments to the "Directions for Insurance Enterprises Engaging in Electronic Commerce Business" and Item 4 of the "Directions for Promoting Insurance Service Business through Collaboration with Business Entities in Other Industries." The key points are as follows:

1. Permitting group insurance policyholders to register for online insurance services digitally and designate authorized personnel and insured persons.
2. Restrictions on purchasing travel insurance online when the applicant and the insured are not the same person have been relaxed to reflect the need of consumers to apply for travel insurance for accompanying family members.
3. Restrictions on the channels via which the insurance industry may market critical illness health insurance online have been relaxed. No longer will such sales be limited to those platforms designated by the competent authority. Additionally, the insurance industry is now permitted to handle the online purchase of fixed-indemnity health insurance.
4. To improve ID verification procedures for policyholders applying for insurance online, it is stipulated that insurance companies must select an ID verification mechanism having a trust level corresponding to the risk level of online insurance services being offered.
5. A stipulation has been added that, based on the results of business trials, policyholders may use eligible vouchers or their own membership points to offset a portion of their insurance premium, while the industry is to create risk control mechanisms for this form of payment.
6. Responding to changes in consumers' phone usage habits, adjustments have been made to the phone interview conducted by the insurance industry to gauge willingness to purchase insurance.

### **Measures for processing applications from financial institutions to establish additional domestic branches in 2025**

Pursuant to Article 5 of the "Regulations Governing Domestic Branches of Financial Institutions," banks and credit cooperatives that meet the requirements on financial business indicators may apply every year in May and November to set up additional branches. Among the conditions is meeting the average before-tax return on equity in the three years prior to application, which for the period 2022-2024 was 9.98%. Financial institutions meeting this condition as well as other financial and business indicator conditions laid out in the aforementioned provisions may submit relevant documents to the FSC along with an application to establish additional branches.

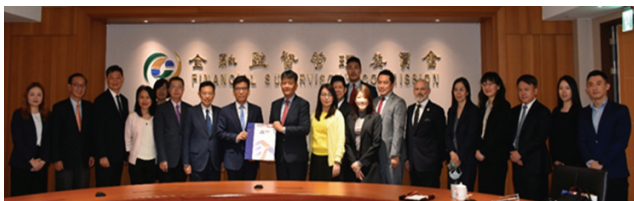
To encourage financial institutions to participate in public welfare and help promote various policies, the FSC this year is continuing to list the following nine items as being in financial institutions' favor when applying to establish new branch offices: public welfare and charity efforts; involvement in financial education; financial crime prevention efforts; SME loan growth; loan approval performance for woman-owned SMEs; the lawful employment of a given number of disabled people; the promotion of barrier-free financial services (including noting whether barrier-free online banking and online ATMs have been set up and barrier-free ATMs have been installed); the acceptance of deposits from savings unions; and cooperation

with innovative organizations. The FSC has considered the overall financial market as well as the operational flexibility of the industry and is considering relaxing the provisions of the regulations regarding the conditions for the establishment of financial institutions, such that the regulations are easier for industry operators to follow and better reflect government policies and market developments.

## International exchanges

### American Chamber of Commerce in Taiwan visits FSC

FSC Chairman Jin-Lung Peng met on 30 April 2025 with a visiting delegation from the American Chamber of Commerce in Taiwan led by Governor Michael Huang to exchange opinions on a broad range of topics.



## Industry Updates

### FSC, Ocean Affairs Council collaborate on marine protection and corporate sustainable governance

On 7 May 2025, FSC Chairman Jin-Lung Peng met with OAC Minister Kuan Bi-ling for the first-ever meeting of the heads of these two organizations. Attendees discussed how green sustainable finance policy could be used to support marine conservation and how interdisciplinary cooperation involving these two organizations could support marine and corporate sustainable development. Since 2014, the FSC has promoted the Corporate Governance Evaluation and began cooperating with the OAC on the 12th Evaluation, held in 2025. Marine conservation has now been incorporated into scoring examples for evaluation indicators. This has been announced on the Taiwan Stock Exchange (TWSE) Corporate Governance Center's website. The TWSE as well as the Taipei Exchange will continue to promote the program for listed companies. This can serve as a practical reference on the conservation of nature. The FSC has also drafted the "Code of Conduct on Sustainable Development of Listed Companies," adding biodiversity provisions to help companies consider the impact of their operations on the natural environment and ecosystems and to ensure greater attention is paid to nature when conducting corporate governance.

In addition to promotions concerning corporate issues, the financial system itself plays a major role in a sustainable transition. As such the FSC has rolled out the Green Finance Action Plan that includes provisions addressing biodiversity and nature. The Sustainable Finance Evaluation the promotion of ecological conservation as an assessment indicator aiming at integrating financial resources, supporting the net-zero transition, and enhancing enterprises' ability to respond to climate change and environment-related risks.

### FSC Launches Fintech Thematic Promotion for Financial Inclusion

As part of its efforts to continue promoting inclusive access to financial services and encouraging applications, the FSC has launched the 2025 Fintech Thematic Promotion focused on financial inclusion. The initiative features a range of activities, including experience sharing sessions, an innovative proposal competition, encouraging applications for innovative experimentation, pilot programs and proof-of-concept (PoC) projects, and a final showcase event. It aims to foster cross-sector collaboration between financial institutions and technology companies, thereby making financial services more accessible, creating new opportunities for participation by individuals and enterprises, and fostering a more equitable, inclusive, and sustainable financial environment.

### FSC and Central Police University sign MOU on combating the illegal use of virtual assets

On 18 April 2025, the FSC and Central Police University exchanged copies of an MOU the two parties had signed on combating the illegal use of virtual assets. This permits the two sides to use innovative fintech to stop fraud and crack down on financial crime, thus improving supervision for virtual asset service providers, whether businesses or individuals by preventing the unlawful use of virtual assets.

The agreement permits the FSC to access the university's Cryptocurrency AI Crime Flow Tracking and Monitoring Analysis System to analyze coin flows and wallet contents, VASP transaction volumes, and custody amounts, and consider patterns and trends on virtual assets' use in fraud or money laundering. This will strengthen FSC regulation over virtual asset businesses. Cooperation is to focus on three areas: data sharing, talent development, and research, and will improve supervisory tools concerning new financial businesses through the sharing of resources and other support between the two organizations. It will also expand interdisciplinary training and exchanges and improve the professional knowledge and practical skills of personnel at both organizations, equipping them to address an increasingly complex environment for financial businesses as well as crimes.

### FSC announces continuation of stabilization measures concerning daily intraday securities lending order quantity, minimum securities lending margin ratio, and relaxed scope of collateral

Addressing the effect on international stock markets of the US imposition of reciprocal tariffs, the FSC made adjustments for the period 7 April to 18 April 2025 to daily intraday securities lending order quantities and the minimum securities lending margin ratio while relaxing the scope of collateral. As there remains a great deal of ambiguity concerning US trade policy and how the United States' bilateral negotiations with other nations will turn out, Taiwan will continue to be subject to global geopolitical uncertainty and stock market fluctuations. As such, to maintain capital market stability and investors' rights and interests, the FSC announced on 19 April that the aforementioned measures would remain in force.

The FSC will continue to monitor developments in international financial and stock markets and where there are marked changes it will quickly implement response measures to ensure market stability and uphold the rights and interests of investors.

### FSC approves Land Bank of Taiwan application to establish branch in Tokyo

On 2 May 2025, the FSC approved Land Bank of Taiwan to apply to the Japanese regulatory authorities for the establishment of a Tokyo branch. To create a more comprehensive service network abroad, Land Bank plans to establish a Tokyo branch as Japan is one of the world's major economies and enjoys close trade ties with Taiwan.

### FSC approves CTBC Bank application to establish branch in Los Angeles and representative office in Houston

On 6 May and 23 April 2025, respectively, the FSC approved CTBC Bank to apply to the United States regulatory authorities for the establishment of a Los Angeles branch as well as a Houston representative office. CTBC Bank is looking to improve its services in the United States and create greater cross-efficiencies and synergies among its US subsidiaries and branches and improve its services to Asian-Americans on the West Coast while helping Taiwan's supply-chain businesses expand their US presence.

### NPLs at domestic banks as of the end of April 2025

Unit: NT\$1 billion / percentage points

	End of April 2025	End of March 2025	Increase/Decrease
Total outstanding loans	43,265	43,232	Increased by 33 billion
NPL ratio	0.16%	0.16%	--
Coverage Ratio	846.54%	845.95%	Increased by 0.59 percentage points

As of the end of April 2025, there were 38 domestic banks in Taiwan, and their asset quality continuously remained manageable as seen in the above figures. The FSC will require banks to undertake measures to improve their asset quality and financial structure on an ongoing basis.

### NPLs at credit cooperatives as of the end of April 2025

Unit: NT\$1 billion / percentage points

	End of April 2025	End of March 2025	Increase/Decrease
NPLs	0.648	0.554	increased by NT\$ 0.094 billion
NPL ratio	0.10%	0.08%	Increased by 0.02 percentage points
Coverage Ratio	2450.12%	2908.10%	Decreased by 457.98 percentage points



As of the end of April 2025, there were 23 credit cooperatives in Taiwan, and their asset quality continuously remained manageable as seen in the above figures. The FSC will require credit cooperatives to undertake measures to improve asset quality and financial structure on an ongoing basis.

### Net purchases and sales of listed stocks by foreign and mainland China investors, as well as inflows and outflows of funds

#### 1. Net foreign and mainland China investment in listed shares

Unit: NT\$1 billion

End April 2025		TWSE-listed shares	TPEX-listed shares
Foreign Investors	Bought	8876.10	1582.73
	Sold	9533.62	1565.06
	Net bought (sold)	(657.53)	17.67
Mainland China investors	Bought	1.77	0.06
	Sold	2.28	0.09
	Net bought (sold)	(0.51)	(0.02)
Total		(658.04)	17.65

#### 2. Cumulative net (outward) inward remittances by foreign and mainland China investors

Unit: US\$1 billion

	End Apr. 2025	End Mar. 2025	Increase (Decrease)
Cumulative net (outward) inward remittances from offshore foreign institutional investors and foreign individual investors	281.01	281.56	(0.55)
Cumulative net (outward) inward remittances from mainland China investors	0.05	0.05	0
Total	281.06	281.61	0.55

### Sales statistics of foreign-currency-denominated products by life insurance industry as of the end of February 2025

Unit: NT\$1 billion

	End Feb. 2025	End Feb. 2024	Increase (Decrease)
Investment-linked insurance	9.420	4.248	122%
Traditional life insurance	57.934	43.560	33%
New-policy premium income (total)	67.354	47.808	41%

### Profit/loss, net value, and exchange gains/losses of the insurance industry in March 2025

#### 1. Pre-tax profit of insurance enterprises

Unit: NT\$1 billion

	End Mar. 2025	End Mar. 2024	Growth Rate %
Pre-tax profit of life insurance enterprises	84.9	96.0	-11.6%
Pre-tax profit of non-life insurance enterprises	8.2	9.3	-11.8%
Pre-tax profit of all insurance enterprises (total)	93.1	105.3	-11.6%

#### 2. Owners' equity of insurance enterprises

Unit: NT\$1 billion

	End Mar. 2025	End Mar. 2024	Growth Rate %
Owners' equity of life insurance enterprises	2,417.2	2,480.0	-2.5%
Owners' equity of non-life insurance enterprises	154.1	137.4	12.2%
Owners' equity of insurance enterprises (total)	2,571.3	2,617.4	-1.8%

3. As of the end of March 2025, the NT Dollar had depreciated by 1.21% against the US Dollar since the end of 2024, and the cumulative balance of foreign exchange valuation reserve of life insurance enterprises was NT\$283.6 billion, increasing by NT\$64.0 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 was NT\$-49.9 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\$281.4 billion.

## Investor and Consumer Protection

### FSC announces five draft regulations and plans to bolster consumer protections by including 12 financial leasing companies under Financial Consumer Protection Act to strengthen consumer protection

To bolster consumer rights, the FSC announced that in its first phase of related work that 12 financial leasing companies under four listed groups—China Leasing, Yurong, Herun and Risheng Taijun—which engage in the purchase of accounts receivable, installment sales, or similar financing businesses targeting natural persons, will be listed as being “financial services enterprises” as defined in Paragraph 1 of Article 3 of the Financial Consumer Protection Act (hereinafter, “the Act”), and announced on 23 April 2025 that relevant regulations would be amended.

Some five items are covered by this announcement and the draft regulatory amendment notice. The relevant companies were determined by the FSC after considering a host of factors such as company size. After the 12 financial leasing companies are brought under the scope of the Act, such firms will need to comply with the Act and related laws. Consumer disputes between financial consumers and financial leasing companies can thus resolved via the complaint review mechanism outlined in the Act, thus adding further protecting the rights and interests of financial consumers.

### 2025 Financial Literacy Campaign for the Campus and Community

The FSC's 2025 Financial Literacy Campaign for Campuses and Communities held a total of 370 activities at Hualien's Chung Hsiao Elementary School in May that were attended by 24,668 people. The free program has proven popular since its inception in 2006. As of the end of 2024, a total of 9,251 events had been held and over 1.25 million people had attended. The target participants include students at all levels, communities, women's groups, indigenous people, immigrants, military personnel, correctional institutions, social welfare groups, senior citizens' groups, police, firefighters, coast guard personnel, and taxi drivers.

The FSC Banking Bureau will continue to hold continuing education on financial literacy in 2025. Interested schools or groups can apply online or call (02) 8968-9711.

## Major Penalties

### FSC imposes fine on Land Bank of Taiwan

A former employee of the Land Bank of Taiwan misappropriated water and electricity fees collected from tenants and informed tenants of incorrect apportionment amounts that resulted in shortfalls. This was a violation of Paragraph 1 of Article 45-1 of the Banking Act and Paragraph 1 of Article 3 and Paragraph 1 of Article 8 of the Act's subsidiary “Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries.” In accordance with Paragraph 7 of Article 129 of the Banking Act, the FSC imposed a fine of NT\$4 million on the bank.

### FSC imposes fine on Taishin Bank

The FSC found that Taishin International Bank had failed to establish and properly implement internal control systems leading to abnormal addresses on collection letters and the misplacement of credit card bill information. This was a violation of Paragraph 1 and 3 of Article 45-1 of the Banking Act and Paragraph 1 of Article 3 and Paragraph 1 of Article 8 of the Act's subsidiary “Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries” as well as Paragraph 1 of Article 6 of the “Regulations Governing Internal Operating Systems and Procedures for the Outsourcing of Financial Institution Operation.” In accordance with Paragraph 7 of Article 129 of the Banking Act, the FSC imposed a fine of NT\$6 million on the bank.