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- FSC revises and promulgates regulations, opens applications for digital insurers
- FSC permits securities firms to establish simple branch offices
- FSC amends Article 22-16 of the Offshore Banking Act
- 2025 Taiwan Week activities to be held from October 15 to 23

Laws and Regulations

FSC revises and promulgates regulations, opens applications for digital insurers

1. To attract innovative technology to the insurance market, the FSC revised and promulgated the following regulations on 30 July:
 - a. Regulations for Establishment and Administration of Insurance Enterprises
 - b. Regulations Governing Pre-sale Procedures for Insurance Products
 - c. Regulations Governing Business Solicitation, Policy Underwriting, and Claim Adjusting of Insurance Enterprises
 - d. Regulations Governing Public Disclosure of Information by Non-life Insurance Enterprises
 - e. Regulations Governing Public Disclosure of Information by Life Insurance Enterprises
 - f. Regulations Governing Non-life Insurance Enterprises Engaging in Injury Insurance and Health Insurance
 - g. Regulations for Establishment and Administration of Foreign Insurance Enterprises
 - h. Directions for Insurance Enterprises Engaging in Electronic Commerce Business
 - i. Directions for the Review of Non-Life Insurance Products
 - j. Directions for the Review of Life Insurance Products
 - k. Directions for the Establishment and Committee Members Election of Insurance Products Reviewing Committees
 - l. Operation Directions for the Review of Innovative Insurance Products and Services
 - m. Interpretive directions for Paragraph 3 of Article 29-1 of the "Regulations for Establishment and Administration of Insurance Enterprises."
2. Key aspects of the aforementioned are as follows:
 - a. The term "internet-only insurer" has been modified to the internationally recognized "digital insurer," which is defined as an enterprise that utilizes fintech or digital technology to offer a certain proportion of innovative insurance products and services. In addition, the scope of business and operating models for such enterprises has been broadened. These enterprises may establish physical businesses or service centers based on their customer needs and operational considerations. Furthermore, innovative insurance products or services developed by such enterprises will be provided with protection for a certain period of time.
 - b. No time limit will be set on the application for the establishment of digital insurers.
 - c. Minimum paid-in capital for digital property and life insurance companies will be lowered from NT\$1 billion and NT\$2 billion, respectively, to NT\$500 million and NT\$1 billion. In addition, it is stipulated that the competent authority may, when considering the scale of a business in a business plan, require an increase in paid-in capital based on budget assessments so as to ensure both the solvency and capital required for future development of the digital insurance companies.
 - d. There shall be no requirement that digital insurers have financial institutions/persons or fintech experts as their founder(s).
 - e. The regulations set forth the following provisions to ensure that digital insurers possess distinctive and innovative operational capabilities:
 - i. Digital insurers shall include information in their business plans concerning innovative operational capabilities.
 - ii. Starting from the year following the launch of operations until the end of the period specified in the establishment permit, the premium income or sales volume of innovative insurance products or services approved by the competent authority shall account for at least 20 percent of the total premium income or sales volume of all insurance products each year. Additionally, digital insurers shall report the relevant data to the competent authority within two months of the annual settlement date.
 - iii. Required documents and review procedures shall be added for digital insurers applying

for approval to sell, pilot, or experiment with innovative insurance products and services.

- iv. The product review committee will be expanded to include individuals with expertise in fintech. This will facilitate the review of potential risks and the adequacy of risk management mechanisms concerning the use of fintech or digital technology in innovative insurance products by digital insurers.
- f. Digital insurers that have been established for less than one year offering insurance online may not be subject to capital adequacy ratio standards or the stipulation that they be in the top 80 percent of industry players as concerns fair treatment of customers for the preceding year.

FSC permits securities firms to establish simple branch offices

The proportion of online account openings and electronic trading has been increasing in response to the digital transformation and development of securities firms in recent years. To reduce the operating costs of securities firms and enhance their operational flexibility, the FSC now allows securities firms to establish or convert general branch offices into simple branch offices. On 18 July 2025, the FSC issued an order amending some 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 stipulate that simple branch offices shall not operate securities brokerage business. Additionally, securities firms may choose to conduct wealth management businesses or perform solicitation as well as customer account opening preliminary procedures for brokerage business. The amendments also stipulate the eligibility criteria and application procedures for setting up simple branch offices, as well as limits on the number of such offices.

FSC amends Article 22-16 of the Offshore Banking Act

In line with the policy to promote Taiwan as an Asian asset management center and expand the international reach of Taiwan's insurance industry while making their international insurance products more competitive, the period for exemption on business income tax, business tax, stamp tax, and withholding income tax on offshore insurance business operated by offshore insurance units is extended through 31 December 2035.

2025 Taiwan Week activities to be held from October 15 to 23

To promote Taiwan as an Asian asset management center, the FSC is planning the first-ever Taiwan Week. During this two-week long event, the FSC will present important policy developments concerning asset management under a variety of themes. Through interactive events, it aims to deepen understanding and implementation of these policies, foster innovative asset-management products, advance financial inclusion, and promote ESG/sustainable development. In so doing, the FSC hopes to draw connections between its various action plans concerning the Asian asset management center concept. On 15 October, an opening ceremony will be held, featuring leaders of international asset management institutions and industry insiders will deliver speeches and engage in discussion with experts and scholars on the unique advantages of Taiwan's capital markets as well as how companies can effectively leverage the current capital market structure. This is one of the major highlights of Taiwan Week, which will continue with events centered on ESG, corporate governance, ETFs, innovative industries and guiding capital into public infrastructure. Here, experts, industry insiders, and government representatives will discuss international trends, Taiwan's achievements, and prospects.

The FSC officially launched the Taiwan Week website on 4 August. The site presents a comprehensive overview of related policies as well as event information to give stakeholders a clear understanding of the latest trends affecting the capital market's integration with international developments. The FSC hopes the event will strengthen dialogue and the experience exchange between domestic and international market participants, foster international interaction and investment collaboration, and generate a variety of concrete proposals. This will help international investors better recognize and engage with the potential development opportunities in Taiwan's asset management sector, thereby contributing to Taiwan's progress towards becoming an Asian asset management hub.



FSC sets the Seventh Standard Ordinary Experience Mortality Table for Life Insurance

Life expectancy in Taiwan has continued to increase in recent years. In response, to maintain the viability of the life insurance industry and the rights of policyholders, the Seventh Standard Ordinary Experience Mortality Table for Life Insurance has been revised and will come into force from 1 January 2026. This will be used by the industry as a reference for setting aside liability reserves and for insurance products' pricing.

FSC relaxes restrictions on transfer of funds from customer ledgers of security firms' settlement account to other banks in the form of time deposits

To enhance the flexibility and efficient utilization of funds held in the customer ledgers of securities firms' settlement accounts, while safeguarding investor interests, the FSC issued order on 24 July 2025, removing the NT\$1 billion threshold restriction on the transfer of such funds to other banks as time deposits. The FSC has also supervised the adoption by the Taiwan Stock Exchange Corporation of corresponding amendments to the Guidelines Governing the Creation of Customer Ledgers of Securities Firms' Settlement Accounts and Standard for the Internal Control Systems of Securities Firms, to add qualifying requirements for banks that receive such transfers as time deposits, as well as complementary measures such as prohibiting securities firms from arbitrarily transferring settlement account funds due to changes in deposit interest rates at various banks.

FSC stipulates investment limits and business regulations under the Rules Governing the Proprietary Trading of Specific Foreign Bonds by Securities Dealers

In line with the opening of securities dealers' engagement in proprietary trading of specific foreign bonds, the FSC issued order on 7 August 2025 to establish investment limits and business regulations for securities firms conducting such business. The FSC has also instructed the Taipei Exchange to amend related regulations, fee standards, location and facilities standards, internal control systems, and other compliance regulations for securities firms.

International Exchanges

Taiwan Academy of Banking and Finance, the Bankers Association of Republic of China, the India-Taipei Association, and International Financial Services Centres Authority jointly organize an international conference on business opportunities in India's first international financial services center at GIFT City.

To promote bilateral financial exchanges and collaboration between Taiwan and India, and to help Taiwan's financial institutions obtain greater insight into the systemic advantages and practical operations of GIFT City, the International Financial Services Centres Authority was invited to share the latest developments and potential business opportunities in GIFT City at a conference held on 15 July 2025. FSC Vice Chairman Chen Yen-liang delivered an address at the conference, prior to which he engaged in an in-depth exchange of views with the IFSCA on a wide range of related topics.

FSC receives incoming Deputy Representative of the Japan-Taiwan Exchange Association Gen Kawai, and bids farewell to outgoing Deputy Representative Takashi Hattori

On July 29, FSC Vice Chairperson Chen Yen-Liang (fifth from right) met with Mr. Gen Kawai, the new Deputy Representative of the Japan-Taiwan Exchange Association (fourth from right), and bid farewell to Mr. Takashi Hattori, the outgoing Deputy Representative (fourth from left). During the meeting, the FSC expressed its appreciation to the Japan-Taiwan Exchange Association for having consistently striven to facilitate financial exchanges between Taiwan and Japan and also thanked Mr. Hattori for his contributions to improving communication between the FSC and Japan's financial supervisory authorities and financial institutions.



Industry Updates

FSC and Kaohsiung City government jointly hold an unveiling ceremony for the Kaohsiung Asset Management Zone

To promote Taiwan as an Asian asset management center, the FSC and the Kaohsiung City government jointly held an unveiling ceremony on 22 July 2025 for the Kaohsiung Asset Management Zone. FSC Chairperson Peng Jin-lung and Kaohsiung Mayor Chen Chi-mai personally attended the event, joining representatives from the financial industry to witness this important milestone in the development of Taiwan's asset management sector.

FSC approves Union Bank of Taiwan's application to establish a branch in Tokyo

The FSC issued its approval for Union Bank of Taiwan to apply to the competent authority of Japan to establish a branch office in Tokyo on 6 August 2025. The bank plans to establish a Tokyo branch as Japan possesses a stable political and economic environment as well as strong bilateral trade and investment ties with Taiwan. This will enhance Union Bank's overseas deployment, build a more comprehensive network for financial services, and boost the momentum of its overseas business.

FSC approves Cathay United Bank's application to establish branches in Tokyo and a sub-branch in Fukuoka

On 25 July 2025, the FSC approved Cathay United Bank to apply to the Japanese regulatory authorities for the establishment of a Tokyo branch and a Fukuoka sub-branch. The bank is planning to establish these branches given the stability of Japan's financial markets, close economic and trade ties between Taiwan and Japan, and continued growth in investment demand by Taiwan's businesses and individuals. This will help the bank strengthen its presence in northeast Asia, provide better services to its Taiwanese business customers, and expand its overseas revenue.

FSC approves Taishin International Bank's application to start a pilot program in the Kaohsiung Asset Management Zone

The FSC issued its approval for Taishin International Bank to launch a pilot program in the Kaohsiung Asset Management Zone on 6 August 2025. The trial period will commence upon the start of operations and will run through June 30, 2026. The FSC previously approved 14 banks to conduct pilot programs in the zone. With the addition of Taishin Bank, the total number of participating banks has reached 15.

FSC issues approval for SinoPac Securities Co., Ltd. to merge with Taiwan Wealth Securities Co., Ltd.

The FSC approved the merger of SinoPac Securities Co., Ltd. (SinoPac Securities) with Taiwan Wealth Securities Co., Ltd. (Wealth Securities). The merger was approved of by a resolution adopted by the board of directors of both companies acting in lieu of shareholder

meetings, in line with Article 128-1 of the Company Act. The move will expand SinoPac Securities' scope of brokerage operations and increase its competitiveness. SinoPac Securities will absorb Wealth Securities and establish a branch office at Wealth Securities' former location. Following the merger, SinoPac Securities will have 45 brokerage locations.

Statistics on sales of spillover-effect insurance products and in-kind payment insurance products by life insurers in 2025 through Q2

Through the second quarter of 2025, the performance of life insurers in selling spillover-effect insurance products and in-kind payment insurance products was as follows:

1. The FSC has approved or accepted registration of 281 spillover-effect insurance products by 15 life insurance companies. In total, 578,275 new contracts for such products were sold as of the second quarter of 2025, down 6% from the 616,088 sold in 2024 through the second quarter. First-year premium income was NT\$19,333.62 million, up by 67% from the NT\$11,582.14 million accumulated in the second quarter of 2024.
2. The FSC has approved or accepted registration of 50 in-kind payment insurance products by seven life insurance companies. In total, 240,729 new contracts for such products were sold as of the second quarter of 2025, up 78% from the 135,296 sold through the second quarter of 2024. First-year premium income was NT\$523.92 million, down 53% from NT\$1,120.62 million accumulated in the second quarter of 2024.

FSC requests Bankers Association and bank head offices to designate a contact person for disputes over mortgage applications

The FSC has asked the Bankers Association of the Republic of China as well as the head offices of all banks to designate a contact person for mortgage disputes involving first-time-buyer, owner-occupied-property, and pledged mortgages, and to handle related complaints properly.

Working in line with the Executive Yuan's real-estate market stability plan and other key policies, the FSC is working with other ministries and agencies to promote measures that will stabilize the real estate market. It has implemented related oversight measures to have banks ensure risk management in real estate lending. Further, to address the public's desire for home ownership, the FSC is urging banks to prioritize first-time-buyer, owner-occupied-property, and pledged mortgages. On 6 September 2024, the FSC also requested the Banker Association to establish a new webpage addressing home purchase loan information disclosures. This is to provide information on bank loan availability and related inquiries at each bank. Information available at present indicates that all banks still have available funds for loans.

Proposals to Enhance Digital Financial Services for Three Target Groups - Chance to Win NT\$100,000 Prize

To promote wider adoption and innovative application of digital financial services, the FSC, in collaboration with the Taiwan Academy of Banking and Finance, the Taiwan Depository & Clearing Corporation and the FinTechSpace, has launched a FinTech-themed Promotion Campaign on "Financial Inclusion." The campaign has already held the "Focus-Group Discussion Sessions," and starting from 1 August 2025, it launched the "Innovative Digital Financial Service Proposal Competition" to solicit solutions addressing the pain points faced by seniors, youth, and small and medium-sized enterprises (SMEs) in using digital financial services. The first-place winner, whether an organization or an individual, will have the opportunity to receive a prize of NT\$100,000 along with additional awards. The "Final Presentation Event" is scheduled for mid-to-late December to foster cross-sector collaboration and turn creative ideas into practice.

NPLs at domestic banks as of the end of July 2025

Unit: NT\$1 billion / percentage points

	End of July 2025	End of June 2025	Increase/Decrease
Total outstanding loans	43,615	43,086	Increased by 529 billion

NPL ratio	0.16%	0.15%	Increased by 0.01 percentage points
Coverage Ratio	842.84%	878.56%	Decreased by 35.72 percentage points

As of the end of July 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 July 2025

Unit: NT\$1 billion / percentage points

	End of July 2025	End of June 2025	Increase/Decrease
NPLs	0.776	0.637	Increased by NT\$ 0.139 billion
NPL ratio	0.12%	0.10%	Increased by 0.02 percentage points
Coverage Ratio	2058.05%	2500.15%	Decreased by 442.1 percentage points

As of the end of July 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

Through end July 2025		TWSE-listed shares	TPEX-listed shares
Foreign Investors	Bought	17,046.77	2,946.91
	Sold	17,199.46	2,894.07
	Net bought (sold)	(152.69)	52.83
Mainland China investors	Bought	3.10	0.01
	Sold	3.66	0.14
	Net bought (sold)	(0.55)	(0.04)
Total		(153.24)	52.79

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

Unit: US\$1 billion

	End Jul. 2025	End Jun. 2025	Increase (Decrease)
Cumulative net (outward) inward remittances from offshore foreign institutional investors and foreign individual investors	308.00	302.96	5.04
Cumulative net (outward) inward remittances from mainland China investors	0.06	0.06	0.002
Total	308.06	303.02	5.04

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

Unit: NT\$1 billion

	End May 2025	End May 2024	Increase (Decrease)
Investment-linked insurance	22.260	18.47	21%
Traditional life insurance	129.18	101.47	27%
New-policy premium income (total)	151.44	119.93	26%

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

1. Pre-tax profit of insurance enterprises

Unit: NT\$1 billion

	End Jun. 2025	End Jun. 2024	Growth Rate %
Pre-tax profit of life insurance enterprises	3.5	214.5	-98.4
Pre-tax profit of non-life insurance enterprises	15.9	15.2	4.6
Pre-tax profit of all insurance enterprises (total)	19.4	229.7	-91.6%

2. Owners' equity of insurance enterprises

Unit: NT\$1 billion

	End Jun. 2025	End Jun. 2024	Growth Rate %
Owners' equity of life insurance enterprises	2,215.2	2,637.8	-16%
Owners' equity of non-life insurance enterprises	150.5	143.8	4.7%
Owners' equity of insurance enterprises (total)	2,365.7	2,781.6	-15.0%

3. As of the end of June 2025, the NT Dollar had appreciated by 9.63% against the US Dollar since the end of 2024, and the cumulative balance of foreign exchange valuation reserve of life insurance enterprises was NT\$233.5 billion, increasing by NT\$13.9 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\$-522 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\$-101.8 billion.

Investor and Consumer Protection

2025 Financial Literacy Campaign for the Campus and Community

The FSC's 2025 Financial Literacy Campaign for Campuses and Communities held a total of 564 activities from January through August at the Xinfeng Community Development Center in Caotun, Nantou County, as well as schools that were attended by 38,180 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, fire fighters, 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

Mercuries Life Insurance fined for breach of Insurance Act

Mercuries Life Insurance Co., Ltd., was found to have violated relevant provisions of the Insurance Act as its equity capital to risk-based capital ratio (or "capital adequacy ratio") did not meet the requirements stipulated in the Insurance Act at the end of 2024. The firm failed to implement a proposed capital increase, financial, or business improvement plan (or "capital enhancement plan"). Pursuant to Items 1 and 3 of Paragraph 1 of Article 143-6 as well as Items 1 and 7 of Paragraph 2 of the same article of the Insurance Act, the company was ordered to complete a capital enhancement plan that had been submitted on 30 August 2024 prior to the end of 2025. The company was ordered to submit a complete capital enhancement plan for bringing its capital adequacy ratio up to statutory requirements within one month. The firm was restricted from making new real estate investments until its capital adequacy ratio situation was remedied and approved by the FSC. The company was also ordered to reduce total remuneration received by Chairman Weng in 2025 to 70% of the remuneration received in 2024.