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Laws and Regulations

FSC issues Interpretive Order on Article 72-2 of the Banking Act

To implement the policy of assisting individuals without self-use residences in purchasing their own homes, while considering the risks banks face in handling real estate loans, cases approved by banks in accordance with the Ministry of Finance's "Principles for Banks with Government-owned Shareholdings to Provide Preferential Housing Loans for Young People" where the funds are disbursed after September 1, 2025, shall not be included in the total amount of "residential and commercial building loans" as stipulated in Article 72-2 of the Banking Act.

FSC issues orders on "Measures to Encourage Foreign Asset Management Companies to Establish Regional Hubs in Taiwan"

To encourage foreign asset management companies to set up regional hubs in Taiwan as part of promoting Taiwan as an Asian asset management center, the FSC issued orders on 29 August and 2 September 2025 that provide the following incentives:

1. For offshore fund institutions establishing a regional hub in Taiwan recognized by the FSC, such institutions' appointed master agents are allowed to handle offshore fund offering and distribution in a effective filing system. The filing will take effect 45 business days following the FSC's receipt of such a document.
2. For offshore fund institutions establishing a regional center performing their core functions (such as investment research, product design, risk management, or investment trading) in Taiwan recognized by the FSC, the upper limit on the percentage of investments by Taiwan residents in offshore funds will be raised to 90 percent.

Financial leasing companies regulated under the Financial Consumer Protection Act and its subordinate regulations effective from 15 September 2025

To enhance consumers' rights and interests, the FSC announced on 30 June 2025 that it would begin to regulate 12 financial leasing companies and amend and promulgate four subordinate regulations under the Financial Consumer Protection Act. The FSC will determine the effective date separately in line with the announcement and these subordinate regulations. Considering the need of regulated entities to carry out preparatory work such as amending contracts, adjusting business models, creating and developing internal systems, and engaging in employee training, the FSC determined that the announcement and the subordinate regulations would take effect on 15 September 2025.

The FSC also stated that Chailease Finance Co., Ltd. had informed the FSC that its subsidiary, Chuangju Limited Partnership, would continue to engage in the purchase of accounts receivable, installment sales, and similar financing businesses targeting natural persons. Therefore, a separate announcement was made to include Chuangju Limited Partnership as a regulated entity.

When brought under the Financial Consumer Protection Act, financial leasing companies shall handle the following matters in accordance with the provisions of relevant subordinate regulations: (1) when engaging in advertising, business solicitation, and sales promotion activities, interest rates and fees are to be disclosed in terms of annual interest rates and annual percentage rates; (2) financial consumers shall be informed of the fees and penalties for breach-of-contract they are subject to; (3) when entrusting the solicitation of business to a third party, the advertising, business solicitation and sales promotion activities of the entrusted party shall comply with the relevant regulations; a supervision, management and regular audit mechanism for the entrusted party shall be established (4) before providing goods or services, Know Your Customer (KYC) procedures should be implemented; (5) the amount of financing provided shall not exceed the value of the subject of a transaction at the time of application; (6) when collecting debts themselves or via external agencies, these institutions shall not engage in improper debt collection; a selection standard, supervision and management, and regular audit mechanism for external collection agencies should be established; (7) early repayment by financial consumers shall not be refused; (8) the institution shall not (i) sign or stamp documents without the consent/authorization of financial consumers, (ii) require financial consumers to sign promissory notes with blank invoice dates or amounts, (iii) file in business contract documents without the consent/authorization of financial consumers, and charge both compensatory penalties and default interest for delayed payment; (9) after a contract is concluded with a financial consumer, the contract must be delivered immediately; (10) at the request of a financial consumer, and where it has been confirmed that the contract amount and related fees have been paid off, proof of payment must be delivered; and (11) when financing is handled through accounts-receivable purchase and installment sales, creditor's rights shall not be assigned to any third party.

If a financial leasing business violates the provisions of the aforementioned subordinate regulations, it shall be fined not less than NT$300,000 and not more than NT$10 million in accordance with Article 30-1 of the Financial Consumer Protection Act.

FSC amends "Directions for Insurance Companies to Engage in Microinsurance Business"

The FSC amended the "Directions for Insurance Companies to Engage in Microinsurance Business" on 14 August 2025, which took effect on the same day. The focus of this revision is to expand the scope of microinsurance coverage to include persons as defined in Subparagraph 1, Paragraph 1, Article 2 of the New Immigrants Basic Act and their household members. This broadens the scope of microinsurance coverage and provides comprehensive basic insurance coverage to new immigrants and their household members.

FSC amends "Directions for Insurance Companies to Engage in Concluding Distance Insurance Contracts and Providing Insurance Services"

The FSC amended the "Directions for Insurance Companies to Engage in Concluding Distance Insurance Contracts and Providing Insurance Services" on 12 August 2025, which took effect on the same day. The revisions streamline the remote insurance application process and provide child-friendly services.

FSC promotes eNotices for dividend notices

To promote applications of Fintech in Taiwan's securities market, advance sustainable development policies, and gradually promote the digitalization of stock affairs, the FSC directed the Taiwan Depository and Clearing Corp. (TDCC) to establish a Stock Affairs Electronic Notice Platform (the "eNotice Platform") on 30 June 2023. The platform allows listed, OTC, and emerging-stock companies, as well as public companies with shareholder services agents to convert paper dividend payment notifications into electronic notifications. Shareholders can receive electronic notifications via email or TDCC's ePassbook App. In addition, they can query or download dividend notifications from the past three years on the eNotice Platform. Investors thus have real-time access to information on dividends.

As of 31 July 2025, 1,464 companies had signed contracts with the TDCC to use the eNotices Platform. Of these, 738 were listed companies, 539 OTC companies (or 63% of the total 853 OTC companies as of the end of June), 163 emerging-stock companies (or 46% of the total 356 emerging-stock companies at the end of June), and 24 public companies. The number of shareholders reached 57.57 million, and the number of shareholder consents for electronic notification exceeded 11.56 million, up 51.24% and 63.27%, respectively, from the 968 companies and 35.26 million at the end of 2023.

Industry Updates

FSC hosts Award Ceremony and Conference for the 4th Stage of the Evaluation of Handling of Trust 2.0 Plan by Trust Enterprises

On 27 August 2025, the FSC held the Award Ceremony and Conference for the 4th Stage of the Evaluation of Handling of Trust 2.0 Plan by Trust Enterprises. Premier Jung-Tai Cho spoke at the event and presented the awards. Attendees included representatives of central and local government agencies, social welfare groups, and financial institutions.

This event was held to commend banks with excellent performance for the 4th stage (2024) of the "Trust 2.0 Phase 2 Plan Evaluation and Incentive Measures." The awardee banks included:

1. Best Trust Award: Mega International Commercial Bank, Taiwan Cooperative Bank, and CTBC Bank.
2. Elderly Care Trust Award:
   - 2.1. Group A: First Commercial Bank, Chang Hwa Commercial Bank, Land Bank of Taiwan, Mega International Commercial Bank, Hua Nan Commercial Bank, and Bank of Taiwan.
   - 2.2. Group B: Far Eastern International Bank and COTA commercial Bank
3. Employee Benefit Trust Award: CTBC Bank, Taiwan Cooperative Bank, and E. SUN Commercial Bank.
4. Trust Business Innovation Award: CTBC Bank, Chang Hwa Bank, and E. SUN Commercial Bank.
5. Trust Alliance Award: Taiwan Cooperative Bank, Mega International Commercial Bank, First Commercial Bank, and Hua Nan Commercial Bank.

FSC approves the application of SG Securities (HK) Limited, Taipei Branch for termination of business and dissolution

The FSC approved the application of SG Securities (HK) Limited, Taipei Branch (SGS Taipei) for termination of business and dissolution. The branch operates securities brokerage, proprietary trading and underwriting businesses, and has applied to terminate and dissolve its operations in align with the group's resource integration and restructuring its regional business organization. The final business day of operations was set for 29 August 2025.

SGS Taipei primarily engages in securities brokerage business and had a market share of 0.198% at the end of 2024. The firm's clients have transferred their transactions to the group's joint venture, and transactions are still being executed through orders placed by other domestic securities firms. Therefore, the company's cessation of operations will not have a significant impact on the overall trading volume of the domestic securities market.

Enhancing the precision of anti-fraud measures while ensuring secure and convenient financial services

To strike a balance between preventing financial fraud and ensuring the convenience of financial services, financial institutions are continuously optimizing the accuracy of risk detection and assessment methods. Based on a risk-based approach, institutions should adopt control measures corresponding strength for accounts with varying risk levels, thereby preventing fraud, reducing the public's financial losses, and minimizing any negative impact on the accessibility and convenience of financial services for the general public.

On 8 September 2025, the FSC convened a meeting with the Taiwan High Prosecutors' Office, the National Police Agency, the Bankers' Association, and several banks to discuss how to improve account control measures and prevent fraud. Law enforcement agencies will continue to collaborate with financial institutions by sharing information to help them enhance detection technologies and become more precise in preventing fraud.

The FSC reminds banks to refer to the following principles when implementing control measures:

1. The effectiveness and impact of proposed measures should be assessed in advance, including evaluation of the applicable targets and the potential impact of implementation, using a risk-based approach.
2. Appropriate supporting measures should be implemented, such as providing notification to customers of service changes and procedures for reinstatement, without compromising the effectiveness of controls. For controlled accounts, a customer complaint window should be provided to allow prompt response and resolution.
3. Following implementation, continuous monitoring of measures' effectiveness and impact should be conducted through rolling reviews and adjustments based on actual circumstances to ensure a focus on high-risk accounts and transactions.

FSC encourages the insurance industry to establish a designated contact person for insurance contracts to protect the assets of the elderly and dementia policyholders

To safeguard the rights and interests of policyholders, the FSC has drawn on experience of the Japanese insurance industry's implementation of age-friendly service measures such as the "family network" (wherein insurance companies can contact designated family members through a prior agreement with policyholders to enable them to understand policy information). The FSC is encouraging the life insurance industry to establish a mechanism for designated contacts in insurance contracts to reduce the risk of financial exploitation and fraud among the elderly and people with dementia and to protect the assets of these individuals.

NPLs at domestic banks as of the end of August 2025

Unit: NT$1 billion / percentage points

	End of Aug. 2025	End of July 2025	Increase/Decrease
Total outstanding loans	43,933	43,615	Increased by 318 billion
NPL ratio	0.16%	0.16%	-
Coverage Ratio	856.93%	842.84%	Increased by 14.09 percentage points

As of the end of August 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 August 2025

Unit: NT$1 billion / percentage points

	End of Aug. 2025	End of July 2025	Increase/Decrease
NPLs	0.81	0.776	Increased by NT$ 0.034 billion
NPL ratio	0.12%	0.12%	Unchanged
Coverage Ratio	1985.45%	2058.05%	Decreased by 72.6 percentage points

As of the end of August 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 August 2025		TWSE-listed shares	TPEx-listed shares
Foreign Investors	Bought	20,049.45	3,591.19
	Sold	20,269.86	3,562.87
	Net bought (sold)	(220.41)	28.32
Mainland China investors	Bought	4.26	0.35
	Sold	4.61	0.18
	Net bought (sold)	(0.34)	0.17
Total		(220.76)	28.5

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

Unit: US$1 billion

	End Aug. 2025	End Jul. 2025	Increase (Decrease)
Cumulative net (outward) inward remittances from offshore foreign institutional investors and foreign individual investors	306.6	308.00	(1.37)
Cumulative net (outward) inward remittances from mainland China investors	0.07	0.06	0.01
Total	306.7	308.06	(1.37)

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

Unit: NT$1 billion

	End June 2025	End June 2024	Increase (Decrease)
Investment-linked insurance	27.527	21.185	30%
Traditional life insurance	173.084	127.142	36%
New-policy premium income (total)	200.611	148.327	35%

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

1. Pre-tax profit of insurance enterprises

Unit: NT$1 billion

	End July 2025	End July 2024	Growth rate (%)
Pre-tax profit of life insurance enterprises	23.2	300.5	-92.3
Pre-tax profit of non-life insurance enterprises	19.2	18.1	6.1
Pre-tax profit of all insurance enterprises (total)	42.4	318.6	-86.7

2. Owners' equity of insurance enterprises

Unit: NT$1 billion

	End July 2025	End July 2024	Growth Rate (%)
Owners' equity of life insurance enterprises	2,342.8	2,670.1	-12.3%
Owners' equity of non-life insurance enterprises	154.3	145.1	6.3%
Owners' equity of insurance enterprises (total)	2,497.1	2,815.2	-11.3%

3. As of the end of July 2025, the NT Dollar had appreciated by 9.58% against the US Dollar since the end of 2024, and the cumulative balance of foreign exchange valuation reserve of life insurance enterprises was NT$233.9 billion, increasing by NT$14.3 billion. Meanwhile, the combined impact of exchange gains/losses, hedging gains/losses, and the net effect of volatility on the foreign exchange valuation reserve of life insurance enterprises was NT$-597.6 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$-103.5 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 626 activities from January through September at Pingtung County Xinyuan Junior High School and other schools and institutions that were attended by 44,780 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.

FSC, Ministry of Finance, and Ministry of Health and Welfare inspect barrier-free facilities at financial institutions

On 27 August, FSC Chairperson Peng Jin-long, accompanied by Deputy Minister of Finance Juan Jing-hwa, and representatives from the Ministry of Health and Welfare (MOHW), visited the Fuxing Branch of Taiwan Business Bank as well as the business department of O-Bank to review their barrier-free facilities and services.

The FSC is urging financial institutions to cooperate with the Ministry of Health and Welfare, other government agencies, groups concerned with the rights and interests of persons with disabilities, and such persons themselves, to provide more accessible financial services while also maintaining a clear focus on the following five issues: (1) formation of an internal organizational culture that respects the importance of friendly financial services; (2) establishment of best practice models and expansion of barrier-free facilities to all bank branches; (3) enhancement of training for front-line bank employees; (4) continued enhancement of the quality of barrier-free facilities and services; and (5) continued dialogue with disability rights groups. The FSC will also oversee ongoing meetings between the ROC Bankers Association and disability rights groups. These help the Association to promptly revise self-regulatory rules to ensure accessible and inclusive financial services. Moreover, financial institutions are to act in line with the principles of the Convention on the Rights of Persons with Disabilities (CRPD). Among other things, this includes making reasonable adjustments for persons with disabilities and providing support for their autonomous decision-making, to achieve equal financial rights and financial inclusion.

Joint Financial Police 165 Anti-fraud awareness campaign launched at Fintech Anti-Fraud Summit

To further cross-ministerial cooperation to combat fraud, the FSC, Executive Yuan Anti-Fraud Command Center, Ministry of Justice, and Ministry of the Interior, oversaw the Bankers Associations in hosting the Fintech Anti-Fraud Summit on 13 August 2025. The summit announced the launch of the "Joint Financial Police 165" anti-fraud awareness campaign. Working with local police agencies, domestic banks, and Chunghwa Post Co., Ltd, publicity events will be held across Taiwan through the end of 2025 to enhance the public's awareness and ability to prevent fraud.

Personnel Changes

Following the retirement of Mr. Li-yang Hou, Deputy Director General of the FSC Banking Bureau, on 16 September 2025, the position has been filled by Mr. Jia-Kei Chang, who was promoted from his former position as Chief Secretary of the Banking Bureau. Mr. Chang officially assumed his new position on 18 September 2025.

Major Penalties

Cathay United Bank penalized for violation

Cathay United Bank failed to implement adequate mechanisms for updating credit card customer information, reissuing cards due to loss, adjusting credit card payment amounts, and managing the credit card image retrieval system. An investigation found that the bank had not established a sound internal control system, in violation of Article 45-1, Paragraph 1 of the Banking Act as well as Article 3, Paragraph 1, and Article 8, Paragraph 1 of the "Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries" as authorized by the Banking Act. The FSC imposed a fine of NT$12 million on the bank in accordance with Article 129, Paragraph 7 of the Banking Act.