



Financial Supervisory Commission, Taiwan

# 2024-2025 Annual Report





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# 2024-2025 Annual Report







# Financial Supervisory Commission 2024-2025 Annual Report

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# Chairperson's Statement

## Establishing a New Financial Market That Fosters Both Stability And Progress

When I first took up this position, the global economy and financial markets were beset by many challenges. To maintain the security, stability, and development of Taiwan's overall financial environment, we at the FSC decided to pursue a balance between security and development. We have focused on six areas: 1) stronger capital resilience and risk management, 2) improved market order and corporate governance, 3) enhanced consumer rights and financial inclusion, 4) development of financial markets, 5) FinTech and innovation as well as 6) sustainable finance. Our aim has been to create a disciplined, orderly, "new financial market" that has vision and vitality, which is our policy goal and our response to the public's expectations for the FSC.

Responding to a complex and volatile political and economic situation both domestically and internationally, the FSC has made financial security the cornerstone of its efforts to support development. It continues as well to strengthen resilience and supervision of the financial system. The FSC established the Department of Development and Innovation in the beginning of 2025 to coordinate these aspects of the financial space. The FSC has also striven to promote reforms and measures for a more stable, efficient, and competitive financial system that can cope with rapid global changes and ensure the stability and sustainable development of the nation's financial markets. The key achievements of 2024 and the key areas the FSC is promoting in 2025 are as follows:

### **Establishing an Asian asset management center: furthering Taiwan's role in global asset allocation**

Taiwan is home to consummate financial professionals and a comprehensive legal system. It also enjoys three major advantages for developing into an asset management center: a globally competitive industry, massive private wealth, and abundant investment momentum. These can form a cornerstone for the development of asset management businesses. In line with the two major directions of having a dual focus on wealth retention and capital attraction and investing in Taiwan to support industrial development, the FSC proposed five key initiatives and 16 promotion measures in September 2024 to attract domestic and foreign funds to invest in Taiwan. The aim



is to create an Asian asset management center with Taiwanese characteristics and begin to see change in two years, moderate development in four years, and maturity in six years.

In 2024, the FSC began promoting a number of related measures, including: permitting the banking sector to allow high-net-asset customers to apply to use foreign currency credit as collateral for foreign currency financial assets; relaxing the process by which banks apply to issue overseas structured products and bonds denominated in foreign currencies; permitting active ETFs and passive multi-asset ETFs; promoting stock market growth plans; encouraging listed companies to formulate and disclose value enhancement plans; optimizing corporate governance and sustainable information disclosure; promoting the listing of firms in new industries; promoting cross-border cooperation between exchanges; and encouraging the cross-border dual listing of products.

In 2025, the FSC continued to make strides in implementing policies, including issuing the Operational Directions for Financial Institutions Applying for Business Trials in Local Asset Management Zones, establishing the Kaohsiung Asset Management Zone, and launching 38 business trials involving banks, securities firms, investment advisors, and insurance companies. In addition, the FSC rolled out the Taiwan Individual Saving Account (TISA), which is a type of



personal savings account. Through the Capital Market Services Group, government perpetual bond issuance will be increased, capital market funds will be directed into public and national construction, and the momentum of capital markets will be enhanced. Separately, Taiwan Week was held in October 2025. This is an activity that will bolster talent retention and investment and increase the international visibility and effectiveness of our policy to transform Taiwan into an Asian asset management center.

**Strengthening the legal framework for supervising the insurance sector: responding to societal needs and upholding protection for the people**

To maintain basic insurance protections that allow people to live with peace of mind, to create a clearly designed system that takes a balanced approach to protecting debtors and the rights of creditors, to simplify the operating procedures of enforcement agencies and insurance companies, and to reduce overall social costs, the FSC promoted amendments to certain articles of the Insurance Act. These stipulate the types of insurance contracts that may not be subjected to seizure or compulsory execution and introduce a system for foreign intervention that maintains insurance protections for the insured and beneficiaries. These amendments were promulgated in June 2025. These amendments will significantly reduce the number of cases of compulsory enforcement of insurance policies, ensure that people have peace of mind, enhance the insurance rights of consumers, and strengthen order in the insurance market and improve society's operations.

**The digital transformation and FinTech innovation: spurring the next era of financial developments**

To further spur FinTech innovation, the FSC proposed the Five Strategies to Promote Fintech in 2024 to serve as guidelines concerning innovation and development within the industry. These strategies are: expanding the margin of error and the scope of innovation; encouraging cooperation and injecting momentum into group innovation; exploring FinTech development opportunities and facilitating a financial transformation; supporting the development of online finance and supporting the "catfish effect"; and leading the development of FinTech. In 2024, the FSC implemented a number of measures based on this strategy. Among its efforts were relaxing regulations concerning financial business trials and their scope; establishing the FinTech Alliance, promoting the VASP Act, restarting the layout of digital insurance companies, and promoting the tokenization of real-world assets. While paying attention to risk control, the FSC will continue to promote the digital transformation of finance, support new start-ups, and develop innovative financial services that meet the needs of the people.

In 2025, the Hidden Gems Initiative was launched. By visiting financial institutions and new technology companies, the FSC aims to uncover innovative ideas with development potential. Under the initiative, the FSC also launched business trials for virtual asset custody businesses. Moreover, the founding of digital insurance companies has been permitted and the mechanism for Financial Fast-ID has been standardized. We also created a cross-system Financial Fast-ID verification system. With these measures, we are hoping to bring together the financial industry and the FinTech industry to collaborate on developing FinTech in Taiwan.

**Green finance: using capital to spur a green transition**

In line with the government's Pathway to Net-Zero Emissions in 2050 and in line with global trends toward net-zero, the FSC is integrating financial resources, working with other relevant ministries, financial industry associations, and related parties to promote three major policies concerning sustainable green finance that support domestic industrial transformation and sustainable development. These include: 1) issuing the Green Finance Action Plan to expand the scope and intensity of financial support, encourage the financial sector to invest in green and sustainable industries, launch green and sustainable performance-linked credit as well as sustainable development bonds and ESG funds, and promote sustainable finance licenses and evaluation systems to encourage the financial industry to negotiate with high-carbon emission industries and jointly accelerate a low-carbon transformation; 2) promote guidelines to identify sustainable economic activities, help enterprises and financial institutions determine what constitutes sustainable economic activity, and encourage investment by the insurance industry as well as the issuance of perpetual bonds to allow for greater transparency and consistency in investment and financing decisions; 3) expand ESG information disclosure, promote carbon inventories by listed companies, set carbon reduction targets and strategies, and encourage listed companies to submit sustainability reports as reference for stakeholders.

The FSC will continue to review and adjust the three policy objectives and support measures based on international net-zero and sustainable development trends and the results of domestic promotion efforts. It will continue to exert its influence on the financial sector so that Taiwan is a leader in net-zero and sustainability efforts.

**Financial Action Innovation Regulation Adaptation Platform: taking the pulse of the market**

To further cooperation and communication between industry, government, and academia; promote policy optimization and the improvement of supervisory regulations and make it possible to more dynamically revise supervisory policies so that they meet market needs while



improving efficiency, the FSC launched the Financial Action Innovation Regulation Adaptation Platform in 2024, establishing four working groups to address banking, insurance, securities and futures, and technological innovation. The FSC also discussed suggestions put forward by scholars, experts, and related associations, demonstrating its attentiveness to external opinions. Since the platform's launch, considerable progress has been made on responding to the market. In 2025, the mechanism will be further improved upon so as to take the pulse of and respond to the market in real time.

**Improving protection for financial consumers: bolstering anti-fraud measures and including financial leasing in consumer protection measures**

While innovation and the liberalization of financial services are proceeding, the FSC is also promoting stronger information security protections within the financial industry and encouraging the industry to take effective measures to prevent financial fraud. The FSC has put together a financial fraud prevention team that works to improve financial fraud prevention measures addressing five areas technology-based fraud interception, precision-based fraud interception, collaborative fraud interception, customer care-based fraud interception, and responsibility-driven fraud interception. Among efforts being made are encouraging financial institutions to introduce AI, optimizing the joint reporting platform, putting appropriate controls on high-risk accounts, establishing a verification system for missing persons and foreigners, supervising collaboration between financial institutions and law enforcement agencies on strengthening the financial fraud prevention network through public-private cooperation, and implementing frontline counter staff efforts to combat fraud. In 2024, 13,580 instances of fraud were prevented, involving in excess of US\$332 million.

In addition, the FSC has begun to regulate financial leasing companies that are of a certain scale to improve consumer protections and internal controls. It worked with the Taipei Leasing Association to draft self-regulatory standards concerning buy now, pay later (BNPL) plans, used-vehicle installment sales, and accounts-receivable purchase businesses. In accordance with the Financial Consumer Protection Act, financial leasing companies that meet certain conditions will come under regulation in stages. Firms meeting these conditions will be determined to be financial services companies. In 2025, the FSC issued amendments to five related regulations.

Pre-tax profits among Taiwan's financial firms hit an all-time high in 2024, reaching US\$32.88 billion for the first time. The capital structure and asset quality of the financial industry remain sound, while financial resilience is robust. The number of listed companies, revenue, market weighted index, and daily average transaction value in Taiwan's capital markets have continued

to rise. The global geopolitical and economic situation in 2025 is fraught with uncertainty, with inflationary pressures and financial market fluctuations being salient issues. Financial institutions are facing a more complex external environment, highlighting the importance of resilience.

Against such a backdrop, the FSC will continue to work to improve resilience and risk control measures, respond to the dual digital and green transformation, encourage FinTech innovation, promote the development of sustainable finance, and support funding for a low-carbon transformation. The FSC will also continue to work to build Taiwan into an Asian asset management center, attract foreign and domestic investment, enhance the international competitiveness of Taiwan's financial market, and work with all sectors to create a safe, sustainable, innovative, and resilient financial market to transform the financial industry into a major engine of Taiwan's economic growth as well as a force supporting social welfare.

Chairperson

A handwritten signature in black ink, appearing to read "Jia-Ling Peng". The signature is fluid and cursive, with the first name "Jia-Ling" and the last name "Peng" clearly distinguishable.





Financial Supervisory Commission, Taiwan

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### Duties and Organization

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## Duties and Organization

The FSC was established on 1 July 2004 as the competent authority with overall responsibility for supervising, regulating, and facilitating the development of financial markets and financial services in Taiwan, and for conducting financial examinations. The FSC seeks to ensure the sound operation of financial institutions, maintain financial stability, and promote the development of our financial markets. In 2004 it was originally named the "Financial Supervisory Commission, Executive Yuan."

The "Executive Yuan Organization Act" as amended 3 February 2010 expressly provided that the Financial Supervisory Commission is a commission established by the Executive Yuan, but it left the commission's duties and functions unchanged. On the basis of the amended "Executive Yuan Organization Act," the "Organic Act Governing the Establishment of the Financial Supervisory Commission" was then amended, and the amended version entered into force on 1 July 2012. Restructuring of the Financial Supervisory Commission was completed on 1 July 2012. Our organization switched from an agency headed by committee to a single-head agency, and our name was shortened to just "Financial Supervisory Commission." While the FSC's name had changed, its duties, organizational framework, and functions remained the same as before. With respect to financial supervision, the FSC exercises its authorities of office independently in accordance with the law and, acting on its ex-officio authority, continues to promote various financial development policies and to implement financial supervision.

### Duties

Article 2 of the "Organic Act Governing the Establishment of the Financial Supervisory Commission" provides as follows: "The FSC shall be the competent authority for development, supervision, regulation, and examination of financial markets and financial service enterprises." The terms "financial markets" and "financial service enterprises" are defined in Article 2 as follows:

- The term "financial markets" includes the banking market, bills market, securities market, futures and derivatives market, insurance market, and their respective settlement systems.
- The term "financial service enterprises" includes financial holding companies, the Central Deposit Insurance Corporation, banking enterprises, securities enterprises, futures enterprises, insurance enterprises, electronic banking transaction enterprises, and other financial service enterprises; provided, however, that the Central Bank shall be the competent authority in charge of the bank payment system.

To ensure that the FSC fully discharges its supervisory function over banking, securities, futures, insurance and other financial enterprises, Article 3 of the "Organic Act Governing the Establishment of the Financial Supervisory Commission" provides that the FSC shall be in charge of the following matters:

- Financial regime and supervisory policies.
- Prescribing, amending, and repealing financial laws and regulations.
- Supervising and regulating the following matters in connection with financial institutions: establishment; voidance; revocation; change; merger; business suspension; dissolution; and approval of business scope.
- Development, supervision, and regulation of financial markets.
- Examination of financial institutions.
- Examination of matters relating to public companies and securities markets.
- International financial matters.
- Protection of financial consumers.
- Enforcement of financial laws and regulations, punishment of violators, and handling of matters related thereto.
- Collection, processing, and analysis of statistical information relating to financial supervision, regulation, and examination work.
- Other matters relating to financial supervision, regulation, and examination work.

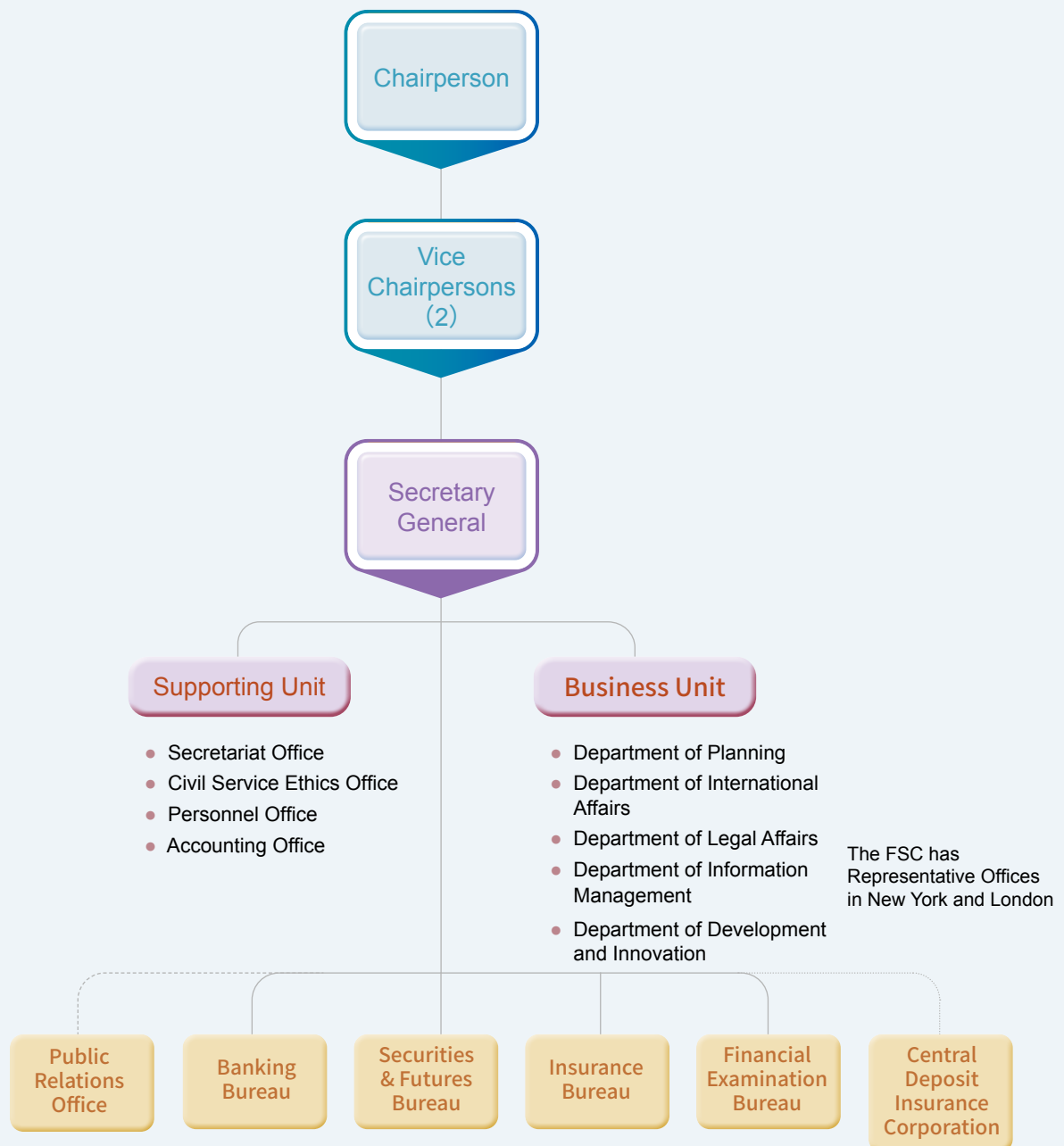
## Organizational Structure

The "Organic Act Governing the Establishment of the Financial Supervisory Commission" provides that the FSC shall have one chairperson and two vice chairpersons, while the Minister of Finance, Minister of Economic Affairs, and Minister of Justice serve as ex-officio commissioners, and the Executive Yuan on 23 July 2012 appointed the Minister of the National Development Council to serve concurrently as an FSC commissioner.

The FSC has five departments, four offices, four sector bureaus (third-tier central government agencies), one state-owned enterprise, two representative offices, and one ad hoc task force, as follows:

- Five departments: Department of Planning; Department of Legal Affairs; Department of International Affairs; Department of Information Management, Department of Development and Innovation.
- Four offices: Secretariat; Personnel Office; Civil Service Ethics Office; Accounting Office
- Four sector bureaus: Banking Bureau; Securities and Futures Bureau; Insurance Bureau; Financial Examination Bureau
- One state-owned enterprise: Central Deposit Insurance Corporation (CDIC)
- Two representative offices: FSC Representative Office in New York; FSC Representative Office in London
- One special-purpose unit: Public Relations Office

## | Organizational Structure |

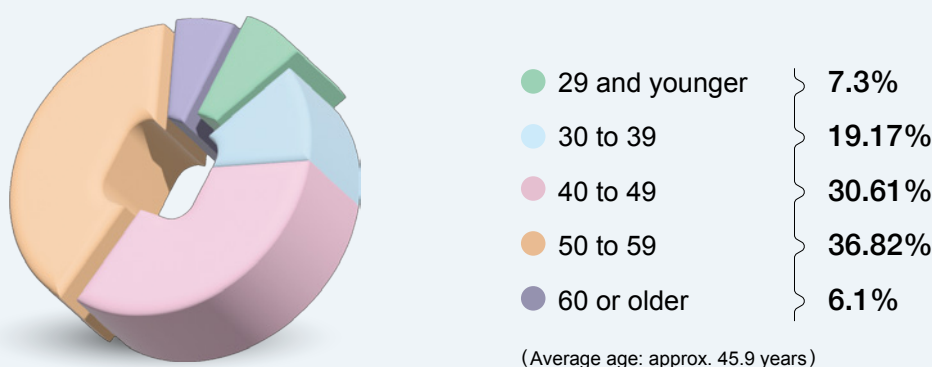




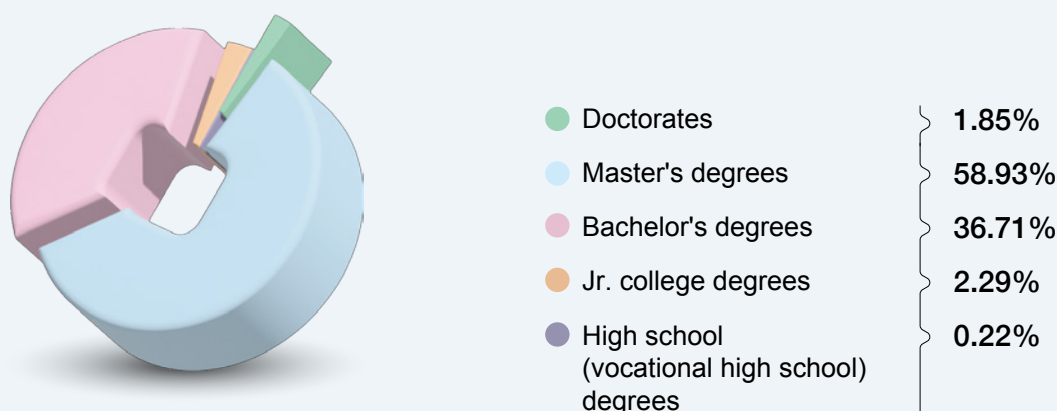
## Personnel

In accordance with the "Organic Act Governing the Establishment of the Financial Supervisory Commission" and the "Table of Authorized Staff," the number of authorized staff at the FSC headquarters is 118 persons, while the number of authorized staff at the FSC's four bureaus is 1,000 persons, which makes for a total of 1,118 persons. As of 31 December 2024, current staffing at FSC headquarters is 92 persons, at the Banking Bureau is 211 persons, at the Securities and Futures Bureau is 233 persons, at the Insurance Bureau is 96 persons, and at the Financial Examination Bureau is 286 persons, making for a total of 918 persons. In addition, the Central Deposit Insurance Corporation (CDIC) as the result of an administrative restructuring became subordinate to the FSC from 1 January 2011. CDIC had a budgeted personnel complement of 158 in 2024, and the number of regular staff at CDIC was 152 as of 31 December 2024.

### | Age distribution at FSC headquarters and its bureaus |



### | Educational background of staff at FSC headquarters and its bureaus |





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# Financial Market Overview and Important Policy Outcomes

- Financial Market Overview
- Strengthening Capital Resilience and Risk Supervision in the Financial Industry
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4/24 6/24 8/24 12/24

■ Mutual Funds

■ State & Local Governments

■ Pension



# Financial Market Overview and Important Policy Outcomes

## Financial market overview

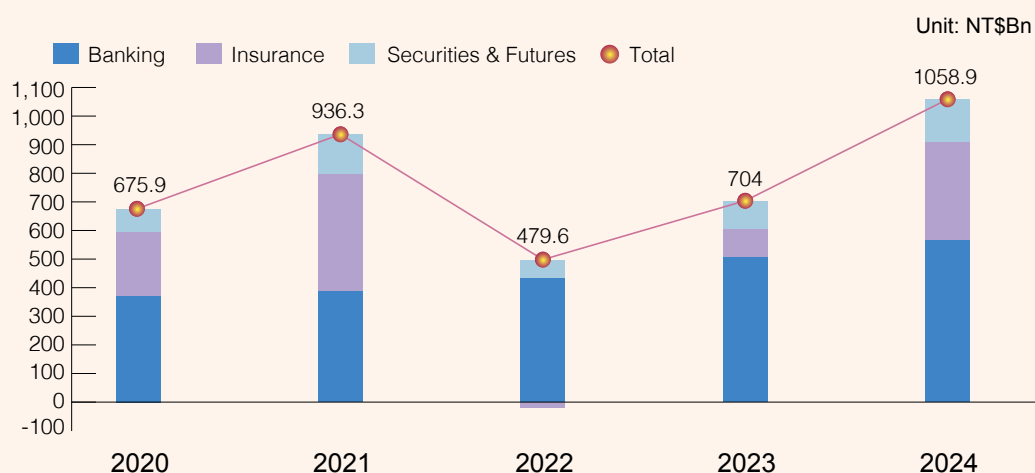
To examine the recent changes in the pre-tax earnings of Taiwan's financial industry (as shown in the table below), we can see that starting in 2020, and despite a decline in 2022 due to the pandemic, earnings have increased steadily from NT\$675.9 billion to NT\$1.0588 trillion in 2024, surpassing the NT\$1 trillion mark and reaching a record high.

### Pre-tax earnings for domestic financial service providers, 2020–2024

Unit: NT\$Bn

	2020	2021	2022	2023	2024
<b>Financial holding companies (consolidated financial statements)</b>	385.9	594.7	298.0	387.6	626.7
<b>Banks (A)</b>	370.8	385.6	432.1	505.7	565.6
Domestic banks	312.7	337.0	391.9	472.4	527.3
Taiwan branches of foreign banks	23.8	11.0	10.9	17.5	20.1
Taiwan branches of Mainland Chinese banks	5.1	6.2	5.6	4.3	3.7
Credit cooperatives	2.5	2.7	3.1	3.5	3.8
Bills finance companies	12.3	13.4	9.2	7.6	8.4
Chunghwa Post	14.4	15.3	11.4	0.3	2.2
<b>Insurers (B)</b>	223.1	411.1	-18.6	98.1	341.5
Life insurers	206.1	388.5	171.9	80.6	315.5
Non-life insurers	17.0	22.6	-190.5	17.5	26.0
<b>Securities &amp; Futures Firms (C)</b>	82.0	139.6	66.1	100.2	151.8
Securities firms	66.0	119.5	46.9	76.1	116.5
Futures commission merchants	5.0	4.5	5.6	7.0	9.5
Investment trust firms	11.0	15.6	13.6	17.1	25.8
<b>Total (A+B+C)</b>	<b>675.9</b>	<b>936.3</b>	<b>479.6</b>	<b>704.0</b>	<b>1058.9</b>

Note: To see a business overview and important indicators for individual financial services enterprises, see Appendix 6-3.



## ● Strengthening capital resilience and risk supervision in the financial industry

**Regulatory capital requirements have been amended to come into line with the Basel III: Finalising Post-Crisis Reforms. Rules concerning the standardized approach for credit risk, the internal ratings-based approach for credit risk, operational risk, and the leverage ratio took effect on January 1, 2025. Meanwhile, rules for market risk, credit valuation adjustment, and securitization exposures came into effect on July 1, 2025. Moreover, to enhance the internal risk management capabilities of banks, the FSC has allowed banks to apply to use the internal ratings-based (IRB) approach for credit risk to calculate their capital since 2024.**

**The FSC revised the "Required Reporting Data for Domestic Banks in Compliance with Supervisory Review Principles" on liquidity risk assessment indicators to enhance banks' qualitative and quantitative descriptions of their liquidity stress testing operations.**

**The FSC allows insurers to issue capital instruments through the establishment of a special-purpose overseas fundraising enterprise, and to include the amount of capital instruments issued by such enterprise in the insurer's own capital.**

**Strengthen the financial structure and enhance the risk-bearing capacity of the insurance industry.**

- On March 6 and October 1, 2024, the FSC amended the "Directions for Issuance of Bonds with Capital Characteristics by Insurance Companies" to lift restrictions on insurance companies establishing overseas financing enterprises to issue bonds with capital characteristics overseas, and to allow long-term corporate bonds with maturities of over 10 years issued by insurers to be held by natural-person-related parties.
- On May 17, 2024, the FSC amended the "Regulations Governing Foreign Investments by Insurance Companies" to: (a) increase the range of channels through which insurers are able to raise capital overseas; (b) allow insurers to invest in overseas private equity funds raised by domestic private equity fund management institutions that have obtained a letter of eligibility from the National Development Council; and (c) without raising the caps on insurers' offshore investments, introduce a set of measures to increase insurers' asset allocation flexibility.
- To help life insurers gain more flexibility in hedging strategies and strengthen financial stability, the FSC amended the "Directions for the Setting Aside of Foreign Exchange Valuation Reserve by Life Insurance Enterprises" on September 6, 2024, adopting a new approach to foreign exchange valuation reserves.
- On September 12 and December 13, 2024, the FSC amended relevant reports and fill-in documents using the scope and calculation methods for adjusted net capital and risk-based capital of insurance companies to guide insurance industry funds into domestic public infrastructure, the "5+2" Innovative Industries, and the Six Core Strategic Industries, while ensuring a balanced consideration of risk weights for insurance investments in domestic and overseas infrastructure. The risk weights applicable to investments made entirely in public infrastructure through domestic private equity funds and venture capital enterprises were revised.

- To ensure the smooth adoption of IFRS 17 and to comply with regulatory amendments made in 2023, the FSC reviewed several interpretations in 2024, such as establishing the "Threshold for the Disclosure of Corrected Financial Reports" and the "Special Capital Reserve for Real Estate Revaluation Surplus," among others.

#### **Review insurance product management regulations and strengthen risk management**

- On January 5, 2024, an interpretation regarding the calculation of policy value reserves after the integration was issued in accordance with Article 11 of the "Insurance Act Enforcement Rules," to serve as a guideline for insurance product design.
- On June 26, 2024, relevant provisions of the "Regulations Governing Pre-sale Procedures for Insurance Products" were amended, and an interpretation of Article 24 of the same regulations was issued, revising the method for analyzing the reasonableness of life insurance product pricing to follow the approach prescribed by the competent authority.

**On July 8, 2024, the FSC amended the interpretation regarding the composite score for life insurance product structures under Article 15, Paragraph 8 of the "Regulations Governing Foreign Investments by Insurance Companies." The amendment aims to support the adoption of IFRS 17 and the new solvency regime.**

The FSC promulgated Phases 3 and 4 of the new solvency regime localization and transitional adjustment measures on April 16, 2024, and December 31, 2024, respectively. These measures encompass: assigning localized risk factors for insurance and interest rate risks; recognizing redeemable bonds issued prior to 2023 as eligible assets; establishing transitional measures for emerging risks, etc.

In 2024, the FEB completed a total of 124 full-scope examinations across various sectors of the financial industry and conducted 19 targeted examinations on a total of 122 institutions. Additionally, the FEB conducted 115 commissioned examinations of the credit departments of agricultural financial institutions.

The FSC held four meetings of the Financial Supervisory Joint Committee with representatives from the Central Bank (CBC), the Agricultural Finance Agency, Ministry of Agriculture, and the Central Deposit Insurance Corporation (CDIC) in 2024. In addition, the Financial Examination Bureau (FEB) also convened colloquia for chief internal auditors for six sectors, including financial holding companies, to facilitate the exchange of views on deficiencies found in financial examinations and internal audit practices.

FSC Chairperson Dr. Jin-lung Peng attended a colloquium for chief internal auditors of domestic banks on Nov. 29, 2024.



FSC Chairperson Dr. Jin-lung Peng attended a colloquium for chief internal auditors of FHCs on Nov. 12, 2024.



To improve communication with financial institutions, the FEB regularly releases updated information on financial examination focuses, the implementation of financial examinations, the primary examination findings of financial institutions, and financial examination manuals.

## ● Enhancing market discipline and corporate governance

### **Strengthening controls on real estate lending by banks and financial leasing companies**

- On September 25, 2024, the FSC issued a letter to the Bankers Association of the Republic of China (hereinafter referred to as the "Bankers Association") requesting it to inform its member banks of the need to strictly control real estate construction loans exempt from credit limits prescribed in Article 72-2 of the Banking Act pursuant to FSC directives.
- On December 13, 2024, the FSC issued another letter to the Bankers Association requesting it to inform its member banks that when granting credit facilities to financial leasing companies, if the intended use of funds is to provide financing to enterprises in the real estate sector, banks must ensure that such clients comply with selective credit controls set by the central bank. Furthermore, such credit facilities must be included in the bank's internal risk control framework and overall lending cap for real estate exposures that are excluded from the limits set forth in Article 72-2 of the Banking Act.

**In April 2024, the FSC announced enhanced measures for ETFs. It also issued an official notification to relevant institutions in June 2024, requesting their cooperation and implementation of these new measures which address three key areas: strengthening information disclosure, improving advertising and marketing practices, and enhancing market risk control.**

**In April 2024, the FSC amended the "Regulations Governing Establishment of Internal Control Systems by Public Companies" and the "Regulations Governing the Establishment of Internal Control Systems by Service Enterprises in Securities and Futures Markets." These amendments require that TWSE-listed and TPEx-listed companies as well as service enterprises in securities and futures markets incorporate the management of sustainability information in internal control systems and to designate this as a mandatory audit item. These amendments came into force in 2025.**

**The Taiwan Stock Exchange and the Taipei Exchange jointly conducted the 10th Corporate Governance Evaluation (for the year 2023). The evaluation assessed companies' overall corporate governance performance based on four major dimensions: protecting shareholders' rights and treating shareholders equitably, enhancing board structure and operations, improving information transparency, and promoting sustainable development.**



**Establishing a corporate investor relations (IR) engagement platform to enhance connectivity between listed companies and institutional investors:** The Taiwan Index Plus Corporation launched the IR Engage platform in November 2024, offering three core services: corporate investor conferences services, ESG value-added information services, and engagement matching services.

**The Securities Investment Trust and Consulting Association of the R.O.C. (SITCA),** after gathering feedback from its members, has revised its "Code of Conduct for Members and Their Sales Institutions in Advertising and Business Activities." The revisions strengthen self-regulatory guidelines for securities investment trust firms and fund distributors regarding the management of advertisements made by influencers. The new regulations have been in effect since August 17, 2024.

**The FSC amended and promulgated the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants"** on February 2, 2024, and the "Regulations Governing CPA Continuing Professional Education" on December 9, 2024. In addition to diverse channels for continuing professional education focusing on anti-money laundering, the amended regulations also require that CPAs, beginning from January 1, 2025, must attend at least three hours of professional training in the CPA code of professional ethics every two years.

**On June 27, 2024, the "Directions for the Review of Life Insurance Products"** were amended to stipulate that indemnity-type accident medical insurance products and indemnity-type medical insurance products comply with the principle of indemnity when settling claims. This amendment took effect on July 1, 2024.

**On July 12, 2024, the FSC amended the "Directions for Insurance Enterprises, Insurance Broker Companies, and Insurance Agent Companies Establishing Internal Control Procedures to Prevent Insurance Solicitors from Misappropriating or Embezzling Policyholder Funds,"** as well as the "Directions for Collecting Premiums Authorized by Insurance Enterprises." The amendments require life insurers to send policyholder receipts directly to the policyholders.

A succession of meetings has been held to promote important issues on solicitation and underwriting within the insurance industry, such as the Insurance Industry Solicitation and Underwriting System Forum held on June 28, 2024, and the Life Insurance Claims System Seminar held on July 12, 2024.

On June 27, 2024, the FSC issued the "Directions for Life Insurance Enterprises to Engage in Participating Life Insurance Business" and, in coordination, amended the "Directions for the Review of Life Insurance Products" to enhance consumer protection.

On July 22, 2024, the FSC amended "Regulations Governing Insurance Brokers" and "Regulations Governing Insurance Agents" to replace the signatory system with a check mechanism as the control mechanism for solicitation documents. The FSC also amended the "Regulations Governing the Implementation of Internal Control and Audit System and Business Solicitation System of Insurance Agent Companies and Insurance Broker Companies" to expand requirements for companies to establish internal controls, audit systems, and business solicitation systems and procedures.

## Implementing consumer protection and financial inclusion

In 2024, the Assessment of the Implementation of Treating Customers Fairly Principles continued, and the results (financial institutions assessed year: 2023) were officially announced on July 2. The assessment encourages financial institutions to conduct self-assessments to identify areas for improvement. Since its launch, the overall performance of the financial industry has improved, with boards of directors placing greater emphasis on protecting financial consumer rights and promoting fair treatment initiatives.



On December 17, 2024, the 58th Liaison Meeting for General Managers of Domestic Banks was convened, along with an award ceremony recognizing enterprises for outstanding performance in the Assessment of the Implementation of Treating Customers Fairly Principles.



On September 13, 2024, an award ceremony was held to honor insurers for outstanding performance in the Assessment of the Implementation of Treating Customers Fairly Principles.



On November 1, 2024, an award ceremony was held to honor securities and futures enterprises for outstanding performance in the Assessment of the Implementation of Treating Customers Fairly Principles.

In June 2024, the FSC submitted recommendations on the "Reference Principles for Compulsory Enforcement of Insurance Policies" to the Judicial Yuan and the Ministry of Justice to assist these organizations with formulating principles for the compulsory enforcement of insurance policies. The FSC also drafted amendments to certain articles of the Insurance Act, adding provisions concerning the types of insurance contracts exempt from compulsory enforcement and provisions concerning the right of intervention.

As of the end of December 2024, a total of 16 banks were offering commercial real estate reverse mortgage services, with 8,981 approved cases and an approved loan amount of approximately NT\$50.9 billion. Compared with the end of December 2023, these figures represent increases of 14.58% and 14.64%, respectively, showing continued steady growth.

The FSC has issued the "Regulations Governing Fraud Crime Hazard Prevention by Financial Institutions and Businesses or Personnel Providing Virtual Asset Services," which came into effect on November 30, 2024, covering the application requirements, procedures, and other compliance matters for the aforementioned anti-money laundering registration. Furthermore, the FSC set out the "Regulations on Preventing Fraud by Financial Institutions and Businesses or Individuals Providing Virtual Asset Services," in accordance with the Fraud Crime Hazard Prevention Act. These were promulgated and implemented on November 29, 2024, to provide VASPs with a basis for implementing fraud prevention measures.

#### Enhancing friendly financial services for the disabled

- The FSC conducted on-site inspections at two domestic banks on August 14, 2024. These banks have demonstrated exemplary practices in providing inclusive financial services to individuals with disabilities. Furthermore, from October 25 to December 10, 2024, field assessments were conducted at 12 domestic banks to evaluate the status of accessible facilities and services.

- On September 16, 2024, the FSC acknowledged the amendments made by the Bankers Association to the "Guidelines for Disability-Inclusive Financial Services in the Banking Sector," particularly the provisions related to staff training. The revision allows financial institutions to develop customized training programs by defining specific training objectives, topics, valuation mechanisms, and speaker selection criteria.



FSC Chairperson Dr. Jin-lung Peng inspected accessibility facilities and services at E.SUN Bank's Jinan Road branch on August 14, 2024.

### Promoting microinsurance and micro-whole-life insurance

- On February 22, 2024, the FSC amended the "Directions for Insurance Companies to Engage in Microinsurance Business" to expand the scope of microinsurance by approving new types of products that successfully completed pilot trials, and to provide insurers with flexibility to conduct microinsurance on a pilot basis.
- On November 21, 2024, the FSC held the "2024 Awards Ceremony for Insurers Cooperating with Policy Promotions" to recognize insurers dedicated to promoting microinsurance and micro-whole-life insurance, aiming to enhance insurance accessibility for disadvantaged groups.
- The FSC collaborates with local governments and central ministries to promote microinsurance, aiming to increase enrollment among low- and middle-low-income households across counties and cities, and to improve microinsurance coverage.



FSC Chairperson Dr. Jin-lung Peng attended the "2024 Awards Ceremony for Insurers Cooperating with Policy Promotions" on November 21, 2024



### Enhancing Financial Friendly Services in the Insurance Industry

- In 2024, the FSC required the Non-Life Insurance Association and Life Insurance Association to hold two meetings with disability organizations to gather their suggestions, which were taken into consideration as a reference for improving the FSC's policies on financial friendly services in the insurance industry.
- On April 16, 2024, the FSC filed the "Guidelines for Financial Friendly Service Standards of Insurance Enterprises" submitted by the Non-Life Association and the Life Insurance Association, encouraging insurance enterprises to strengthen financial friendly measures for the elderly, new immigrants, and indigenous peoples, and to strengthen care measures by conducting follow-up phone calls or in-person visits for the elderly, in order to prevent fraud and protect the financial consumer rights of diverse groups.
- The FSC urged the Non-Life Insurance Association and the Life Insurance Association to complete compilation of the "Easy-to-Read Version of the Insurance Policyholder Guide" in December 2024.

**In 2024, inter-agency collaboration with the Ministry of Education on the Financial Literacy Education Promotion Plan was completed. On November 22, 2024, the Financial Literacy Education Achievement Presentation and Award Ceremony was held to improve primary and secondary school teachers' ability to present financial literacy education.**



FSC Vice Chairperson Dr. Yen-liang Chen attended the 2024 Financial Literacy Education Achievement Presentation and Award Ceremony on November 22, 2024.

**Since 2006, the FSC has collaborated with the Bankers Association and other organizations to hold the Financial Literacy Campaign for the Campus and Community. In 2024, the FSC held 742 activities, attracting over 57,000 participants.**

**On June 25 and December 17, 2024, the FSC held a business liaison meeting with the presidents of domestic banks. Here, the FSC outlined its current key policies, urging all banks' support and cooperation, and presented awards to those banks showing excellent performance in implementing the Program to Encourage Lending by Domestic Banks to Small and Medium Enterprises, Program to Incentivize Lending by Domestic Banks to Enterprises in Target Countries of the New Southbound Policy, Program to Encourage Lending by Domestic Banks to Enterprises in the Six Core Strategic Industries, and the fair treatment of customers.**

The FSC has implemented Phase 7 (2024 to 2026) of the Financial Literacy Promotion Plan to advance financial inclusion. By the end of 2024, the Financial Literacy Promotion Task Force had conducted financial education activities across all 368 administrative areas of Taiwan, achieving 100% of the annual target.



FSC Chairperson Dr. Jin-lung Peng attended the 57th Business Liaison Meeting with the presidents of domestic banks on June 25, 2024.

In 2024, the FSC organized the Financial Literacy Contribution Award selection event, featuring five major award categories to recognize and honor organizations for their outstanding contributions to financial education.

The FSC oversaw the Financial Ombudsman Institution (hereafter referred to as "the Institution") in carrying out public outreach seminars. These initiatives sought to enhance financial literacy, promote awareness of consumer protection, and strengthen fraud prevention. In 2024, the Institution organized 146 seminars nationwide, reaching approximately 7,882 people. It also worked with cable TV operators in central, southern, and eastern Taiwan to broadcast educational programs via public access channels, thereby employing diverse means to expand its outreach.



Former FSC Vice Chairperson Shu-chen Chiu attended the 2024 Financial Education Contribution Awards Ceremony and Seminar on September 27, 2024.

## 📍 Developing Asset Management and Supporting Industries

On March 3, 2025, the FSC relaxed qualification requirements for banks applying to conduct high-asset business, as well as the scope of eligible customers for the issuance of structured financial bonds. In 2025, as part of efforts to promote Taiwan as an Asian asset management center, the FSC will continue to expand the scope of permissible investment products to include domestic private equity funds, provide premium financing services, and further guide the establishment of family offices to extend more wealth management services to high-asset



customers. At the same time, the FSC will enhance the wealth management functions of OBUs and establish local asset management zones ("the Zones"). Local governments will provide administrative incentives, while the FSC will deploy policy instruments to encourage domestic financial institutions to operate within the Zones on a pilot basis for designated financial businesses. The Zones will also attract related professional service industries—such as accounting and law firms specializing in asset and wealth management—forming an onshore-offshore professional ecosystem that provides one-stop asset management services for both domestic and overseas assets. Through the establishment of the Zones, the FSC aims to attract domestic and overseas capital, draw high-level asset management talent, and increase local financial sector employment opportunities.

In addition, efforts to revitalize Offshore Insurance Unit (OIU) business are ongoing, including amendments to extend tax exemption period, to encourage insurers to develop more diversified OIU products.

On December 5, 2024, the FSC announced a relaxation of regulations to allow banks to extend foreign-currency credit secured by foreign-currency financial assets provided by high-asset customers, thus extending them more diversified financing tools and increasing flexibility in fund utilization.

On December 30, 2024, the FSC issued an interpretation on relaxing application procedures under the "Regulations Governing Banks Conducting Financial Products and Services for High-Asset Customers," allowing banks to use a simpler procedure to issue offshore structured products and foreign-currency financial bonds.

The FSC opened up active ETFs and passive multi-asset ETFs, and proposed an amendment to the 'Securities Investment Trust and Consulting Act to allow REITs to be issued under a new structure. In addition, a task force formed by the TWSE and the TPEX will assist government agencies with securitizing public infrastructure projects. The FSC also relaxed restrictions on full discretionary investment mandates to encourage the expansion of fund delegation to securities investment trust enterprises for management.

Continued efforts were made to promote a foreign investment-friendly environment. In 2024, liberalization measures included introducing flexible arrangements for handling disposition of securities transactions, allowing net settlement of funds between securities firms and custodians, and permitting offshore foreign institutional investors to appoint more than one custodian institution (multiple custodians). These measures are expected to enhance the investment efficiency of foreign investors in Taiwan's capital market.

The Taiwan Depository and Clearing Corporation and the Securities Investment Trust & Consulting Association of the R.O.C. jointly developed a private placement fund information platform. The FSC has relaxed distribution channels for private equity funds where a subsidiary of a SITE serves as a general partner, or for private equity funds managed by a SITE under mandate.

The FSC has been promoting the Capital Market Enhancement Plan. Key initiatives include encouraging listed companies to formulate and disclose value enhancement plans, optimizing corporate governance and sustainability disclosures, facilitating the listing of innovative enterprises, promoting cross-border cooperation among exchanges, and advancing cross-border dual listings.



On December 25, 2024, the FSC amended the "Regulations Governing Securities Investment Trust Funds," "Regulations Governing Information to be Published in Prospectuses by Securities Investment Trust Enterprises Offering Securities Investment Trust Funds," and the "Standards Governing Eligibility of Securities for Margin Purchase and Short Sales" to open up active ETFs and relax requirements concerning passive multi-asset ETFs. The amendments aim to provide investors with a greater diversity of investment products and enhance the business momentum of asset management companies.

In the future, the FSC will encourage REIT issuers to launch REITs with different investment themes, such as green/ESG, infrastructure, and long-term care services. This initiative will help advance Taiwan's infrastructure development and contribute to achieving net-zero carbon emissions by 2050.

The FSC has been carrying out the Program to Encourage Lending by Domestic Banks to SMEs since July 2005 and is presently in Phase 19 of the program. As of the end of December 2024, loans extended to SMEs by domestic banks amounted to NT\$10,330 billion. The FSC launched the Program to Encourage Lending by Domestic Banks to Enterprises in the Six Core Strategic Industries on January 28, 2022. As of the end of December 2024, loans extended to enterprises in these industries by domestic banks amounted to NT\$7,897.5 billion.

Diversified fundraising and financing markets are being developed or invigorated to help small and medium-sized enterprises and the Six Core Strategic Industries access capital.

- The FSC permitted insurers to invest in the Six Core Strategic Industries from January 28, 2022, and published a "Program to Encourage Insurers to Invest in the Six Core Strategic Industries, Public Infrastructure, Long-term Care Enterprises, and Sustainability Bonds" on June 24, 2022. This Program is scheduled to run in three phases and is designed to infuse NT\$200 billion into the targeted investments. The goal for the second phase has already been achieved.

- The FSC has issued an interpretation regarding the "Regulations Governing Use of Insurers' Funds in Special Projects, Public Infrastructure, and Social Welfare Enterprises" on September 26, 2024. The interpretation sets out certain requirements that insurance enterprises must abide by when investing in public infrastructure projects regarding loaning funds.
- To encourage insurers to invest in domestic public infrastructure, the FSC issued interpretations on September 12 and December 13, 2024, respectively, to lower the risk factors of insurance companies' investment in domestic private equity funds or venture capital funds fully invested in public construction projects from 10.18% to 1.28%.

Since October 2017, the FSC has been actively involved in the National Development Council's Regulatory Relaxation Project. By the end of 2024, the FSC had relaxed or revised over 372 laws and regulations, making it easier for investors and businesses to invest and helping to create a more accessible and effective financial regulatory environment.

The FSC amended the "Regulations Governing Securities Investment Consulting Enterprises," which will lead to the creation of critical self-regulatory rules for robo-advisor services and establish financial and operational requirements, internal management systems/internal control systems, and external supervisory rules for robo-advisor services. The amendments also allow banks that operate trust enterprises as a sideline business to cite capital adequacy as a financial eligibility condition for conducting securities investment consulting business dealing with foreign securities and providing robo-advisor services.

On October 25, 2024, the FSC issued an order regarding lines of business that SITEs and SICEs may conduct with the approval of the competent authority in line with per Article 3 Paragraph 3, Subparagraph 3, as well as Article 4, Paragraph 3, Subparagraph 3 of the SITCA Act. The order eases restrictions on the range of services that SITEs and SICEs may provide as well as the range of parties to whom they may provide such services. To afford domestic SITEs and SICEs a greater degree of flexibility in their business operations, the order eases a prior restriction that declared any foreign asset management institution, or an institution designated thereby, was only permitted to retain a single qualified financial institution within Taiwan to sell offshore funds that do not have the nature of a securities investment trust fund.

On December 30, 2024, the FSC issued an order concerning lines of business run by SICEs, permitting them to conduct family office integration advisory services as delegated by customers.

## Accelerating FinTech innovation in financial services

The FSC set up a Financial Action Innovation Regulation Adaptation Platform, which officially began operations. The platform brings together representatives from industry, government, and academia, and has four working groups in the fields of banking, insurance, securities and futures, and technological innovation. The working groups have convened several meetings. The FSC is currently evaluating regulatory adjustments and considering relevant policy measures.



The first working group meeting under the Financial Action Innovation Regulation Adaptation Platform was held on August 6, 2024.

On December 26, 2024, the FSC announced the policy planning direction for digital insurers. Subsequently, on July 30, 2025, the FSC revised the regulatory requirements for establishing "internet-only insurers." The amendments include measures such as expanding the scope of business and operational models, providing innovative protection, lowering the minimum paid-in capital, relaxing requirements for promoters, and allowing foreign digital insurance companies to apply for setting up branches in Taiwan.

#### Promote digital transformation and innovation within the insurance sector

- On October 24, 2024, The FSC amended the "Directions for Insurance Enterprises Engaging in Electronic Commerce Business" to: (1) provide that the Taiwan Clearing House's electronic direct debit authorization platform may be used by insurers as a mechanism for accepting payment for online insurance purchases and supplementary identity verification; (2) ease restrictions regarding investment-linked annuity insurance purchased online, whereby such products may pay out value-added bonuses, and the maximum number of linked underlyings; (3) expand the allowable range of online insurance services.
- On July 9, 2024, the FSC amended the "Directions for Cross-Industry Cooperation in Insurance Business," allowing insurance agents and brokers to engage in cross-industry cooperation and expand the scope of cross-industry cooperation business for insurance enterprises, agents, and brokers.
- In 2024, the insurance industry submitted 22 trial applications, of which 19 were granted approval by the authorities. The main types of approved pilot projects include the application of digital technologies in insurance services and cross-industry collaborations between insurance companies and FinTech firms.



- The Life Insurance Association has leveraged the security and convenience of blockchain technology to develop a shared InsurTech platform. This platform offers one-stop services, shortens the application process for policy changes and claims, enables single applications and standardized documentation, and ultimately enhances the accessibility and convenience of insurance services.

To establish consistent rules for financial institutions applying to conduct pilot programs, the FSC on October 29, 2024, issued the "Operation Directions of Financial Institutions Applying for Business Trials," which significantly broadened the permissible scope of pilot programs, expanding the categories of financial institutions eligible to apply, establishing a priority review mechanism for applications that promote financial inclusion, and encouraging collaboration between financial institutions and domestic as well as foreign FinTech firms, with the aim of enhancing the overall effectiveness of financial market development.

On March 12, 2024, an exception clause was added to Article 37, Subparagraph 13 of the "Regulations Governing Securities Firms" and to Article 18, Paragraph 2, Subparagraph 20 of the "Regulations Governing Responsible Persons and Associated Persons of Securities Firms." These amendments expressly stipulate that, where a securities firm, an investment consulting enterprise, and a customer have entered into a tripartite agreement, and the investment consulting enterprise conducts automatic rebalancing transactions for the customer through a computerized system, the securities firm may be exempted from the restriction prohibiting the acceptance of securities purchases, sales, or settlements made by persons other than the customer or an authorized agent with a power of attorney.

The FSC issued letters in September and October 2024 to financial industry associations for dissemination to their member institutions, specifying that when a financial institution develops a FinTech patent or technology for its business or management needs and intends to license such patents or technologies to others, such licensing shall be deemed a disposal or management of intangible assets and may be conducted in accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies." If a financial institution intends to accept commissions from others to develop FinTech technologies or applications or plans to regularly engage in the business of licensing FinTech patents and technologies, such activities shall be carried out through its FinTech subsidiary.

The FSC on October 17, 2023, announced the "Core Principles and Policies for Artificial Intelligence (AI) Applications in the Financial Industry," outlining six core principles and eight supporting policies for AI adoption by Taiwan's financial sector. Building on these principles and following consultations with stakeholders and experts, the FSC issued the "Guidelines for Artificial Intelligence (AI) Applications in the Financial Industry" on June 20, 2024, as a reference for financial institutions in the introduction, application, and management of AI.

The FSC, in cooperation with the Taiwan Depository & Clearing Corporation and six financial institutions (Taishin Bank, Taipei Fubon Bank, CTBC Bank, Cathay Securities, Cathay SITE, and Yuanta Financial Holdings), established an "RWA Tokenization Task Force" in June 2024. The task force convenes regular meetings to deliberate on professional expertise, practical operations, applicable policies and regulations, and the roles of relevant institutions. Its work is divided into three groups focusing respectively on the tokenization of domestic bonds, foreign bonds, and funds, with separate planning arrangements for each. A proof-of-concept approach has been adopted to evaluate the feasibility of promoting tokenization in Taiwan's financial market.

In November 2024, the FSC launched a thematic business trial program for "virtual asset custody services" with applications accepted from January to April 2025.

In 2024, the FSC launched the Prevention of Fraud and Financial Crimes FinTech thematic campaign. The campaign includes organizing seminars, conducting joint market-player-initiated pilot programs, hosting co-creation workshops, and encouraging institutions to undertake innovative experiments, business trials, or proof-of-concept projects. Through this series of initiatives, the FSC seeks to integrate the resources and expertise of relevant government agencies, financial institutions, and technology providers, thereby promoting collaboration between the financial and technology sectors to jointly develop innovative solutions.

Under the FSC's guidance, the FinTech Taipei 2024 was held from November 1-2, 2024. The event featured speeches and panel discussions by 64 domestic and international experts in government, industry, and academia across 12 countries, and drew over 32,000 participants. Nearly 100 domestic and foreign startups also joined the event, which, through a variety of exchanges and discussions, created an international platform for the development of FinTech in Taiwan.



Vice Premier Li-chiun Cheng and FSC Chairperson Dr. Jin-lung Peng attended the opening of FinTech Taipei 2024 on November 1, 2024.

The FSC, in collaboration with the Financial Fast-ID Alliance, has promoted the establishment of a "Financial Fast-ID Authentication and Connection Hub." The hub began accepting requests from pilot institutions for guidance and consultation as well as applications for business trials on January 2, 2025.

On November 5 and 19, 2024, the FSC approved the Self-Regulatory Guidelines for the Application of Artificial Intelligence Technology in the Futures Industry, proposed by the Chinese National Futures Association, and the Self-Regulatory Guidelines for the Application of Artificial Intelligence Technology by Securities Firms proposed by the Securities Association of the Republic of China, respectively. Proposed by the Chinese National Futures Association, the guidelines establish standards for the industry to follow when introducing, utilizing, and managing AI technology.

The FSC commissioned the Joint Credit Information Center to handle the collection and processing of bank supervisory data and to establish the integrated digital regulatory reporting and supervision analysis system for banks on June 13, 2024. This project will be implemented in three phases over six years, with ongoing rolling reviews.

## ● Enhancing product service quality and strengthening cybersecurity

On October 11, 2024, the "Rules Governing the Administration of Electronic Payment Business" were amended and promulgated. In addition, considering the operations of businesses over the past three years as well as financial supervision requirements, the "Regulations Governing Small Amount Remittance Services for Foreign Migrant Workers" were amended and promulgated on December 4, 2024, to align with the practical operations of electronic payment institutions and foreign migrant worker remittance companies, and to ensure the sound development of related businesses.

To enhance the diversity of financial services and better meet the evolving needs of consumers engaging in various types of financial transactions, the FSC has instructed the Bankers Association and the FISC to revised relevant self-regulation and technical/information security standards for the third phase of open banking on January 16, 2024. This phase introduces liberalization of 35 items across five major business categories.

The FSC amended and promulgated certain provisions of the "Regulations Governing Information to be Published in Annual Reports of Public Companies" on August 1, 2024. The FSC also amended Article 14 of the "Securities and Exchange Act" on August 7, 2024, to require companies listed on the Taiwan Stock Exchange and the Taipei Exchange to specify in their articles of incorporation a certain percentage of annual earnings shall be allocated for salary adjustments or compensation distributions for its non-executive employees. On November 8, 2024, the FSC issued an order requiring TWSE and TPEX listed and OTC companies to propose amendments to their articles of incorporation at the latest in the 2025 shareholders' meetings, to guide companies in appropriately increasing employee compensation.

On August 19, 2024, certain provisions of the "Regulations Governing the Management of Loans Made by Securities Firms in Connection with Securities Business" were amended. The amendments permit securities firms to extend loans secured by newly issued shares of cash capital increases, where the subscribing clients are employees or original shareholders of the issuer. These shares may be issued in connection with the issuer's IPO on the TWSE or TPEX, or as part of a cash capital increase by an already-listed or TPEX-listed company.

On December 19, 2024, the FSC announced Japan as a recognized place for offshore ETF registration and fund managers. This will spur the mutual ETF listing for both markets. Taiwan-Japan cross-border ETFs in the future will expand the opportunities for Taiwan's firms to expand in overseas markets and give investors a wider variety of investment options.

On December 24, 2024, the FSC amended the "Regulations Governing the Conduct of Discretionary Investment Business by Securities Investment Trust Enterprises and Securities Investment Consulting Enterprises," deleting a pre-amendment restriction that the aggregate investment on behalf of all discretionary investment accounts of a securities investment trust enterprise or securities investment consulting enterprise in the shares of stock of any single company may not exceed 10 percent of the total number of shares issued by that company.



**Launching new futures products to invigorate the futures market**

- To provide investors with the ability to choose the required contract specifications in addition to the current standardized contracts to meet the needs of different trading strategies, the FSC oversaw the launch by the Taiwan Futures Exchange of the Mini-TAIFEX Flexible Futures Contract on January 22, 2024.
- In response to global market volatility caused by rapidly changing international political and economic factors, traders in Taiwan's futures market adjust their positions through after-hours trading and have strong risk hedging needs. To provide traders with diversified trading options and continue to attract foreign investment, the TAIFEX included TSMC futures, UMC futures, and Yuanfa U.S. Treasury 20+ Year ETF futures into the after-hours session starting from January 22 and December 9, 2024, respectively, extending the transaction time to increase international competitiveness.
- The Financial Supervisory Commission referred to the current status and trends of the development of micro futures contracts by major international exchanges in supervising the Taiwan Futures Exchange's launch of the Micro TAIFEX Futures on July 29, 2024, so as to improve trading flexibility and diversified trading strategies.
- The FSC supervised the TAIFEX launch of the FTSE TWSE Taiwan Mid-Cap 100 Index on December 9, 2024, to provide traders with another option when rotating between large-cap and mid-cap stocks.

**Encouraging the insurance industry to innovate products and provide diversified financial services**

- The FSC instructed the Non-Life Insurance Association to set up a "green insurance task force" to develop and promote various green insurance products and requested the Taiwan Insurance Institute to coordinate with the Non-Life Insurance Association on establishing statistical categories and methods for such products. As of the end of 2024, 16 non-life insurance companies had launched green insurance products covering areas such as energy conservation and carbon reduction, renewable energy, and pollution remediation.
- The FSC cooperated with the Ministry of Agriculture to research and promote diversified agricultural insurance based on the needs of farmers and fishermen. As of the end of 2024, insurance companies had developed 24 commercial agricultural insurance products available for purchase.
- By the end of 2024, all 21 active life insurance companies had issued electronic policies. Among non-life insurers, 19 firms had issued electronic policies to consumers, excepting two branches that served only legal persons.





In September 2024, scenario-based drills for responding to major financial cybersecurity incidents were conducted, with the chief security officers at 15 financial institutions leading staff to conduct internal cross-departmental drills based on scenarios specified by the FSC to strengthen cybersecurity response capabilities.



Former FSC Vice Chairperson Shu-chen Chiu attended the review meeting of the 2024 Financial Cybersecurity Offense-Defense Exercise on October 4, 2024.

In July 2024, the Reference Guidelines for the Introduction of Zero Trust Architecture in the Financial Industry were published, encouraging financial institutions to follow tiered indicators, and implement cybersecurity control measures in phases so as to gradually expand their scope and enhance overall maturity.

## 🔗 Advancing sustainable finance to drive a low-carbon transition

### Continuously promoting green finance:

- Encouraging the establishment of carbon-reduction target-setting strategies in the financial industry
  - » In January 2024, the FSC sent the "Guidelines for Setting Carbon-Reduction Targets and Strategies for the Financial Industry" to all financial industry associations to help members set short- and long-term carbon-reduction targets. Institutions are encouraged to integrate these targets into their business operations and development plans and to adopt concrete and feasible strategies to achieve them.
  - » Each financial sector completed a timetable for carbon-reduction targets and strategies in 2024. Beginning in 2025, institutions will, in phases based on capital size, establish Phase 1 and Phase 2 carbon-reduction targets and strategies.
- Integrating sustainable finance and ESG information:
  - » On January 10, 2024, the FSC launched a website on sustainable finance, showcasing information on sustainable finance policies, statistics, regulations, evaluation, and training resources, thereby providing stakeholders with an understanding of Taiwan's progress in sustainable finance and facilitating access to relevant information.

- » The FSC instructed the Joint Credit Information Center to establish the Climate Physical Risk Information Platform for the Financial Industry, enabling financial institutions to query and download data on climate-related physical risks. The first phase was launched on January 31, 2024, in support of institutions seeking to access climate-change data and identify potential risks.
- » The Taiwan Stock Exchange launched a new version of its ESG Digital Platform, with the first phase going live on May 6, 2024. The platform includes such functions as corporate ESG information disclosure filing, sustainability report submission, greenhouse gas emissions and reduction data reporting, and the submission of the Sustainable Economic Activities Questionnaire.
- On May 30, 2024, the FSC issued the "Reference Guidelines for Financial Institutions to Prevent Greenwashing" to remind financial institutions to avoid conduct that may constitute greenwashing and to ensure that ESG-related claims and the performance of financial products are presented in a transparent, accurate, and reliable manner, thereby enabling investors and consumers to make more informed and sustainable decisions.
- On January 25, 2024, the FSC announced that sustainable finance certification had commenced in the first quarter of 2024. In that year, four rounds of the Basic Sustainable Development Competency Test were administered. Beginning in July 2024, both fundamental and advanced certification courses were offered.
- The FSC facilitated the establishment of the Coalition of Movers and Shakers on Sustainable Finance, composed of six financial holding companies (Yuanta, CTBC, E.SUN, Mega International Commercial, First, and Cathay United), to promote initiatives such as green procurement, information disclosure, sustainable investment and engagement, assistance and outreach, and international alignment. The FSC is also collaborating with the Taiwan Financial Services Roundtable on the Financial Industry Net-Zero Working Group as a medium for cooperation and exchange, fostering the development of needed tools, guidelines, and databases for the advancement of sustainable finance in the industry.
- In 2024, the FSC conducted the second round of the Sustainable Finance Evaluation for domestic financial institutions. The evaluation results—covering the top 25% of banks, securities firms, and insurance companies—were announced on December 31, 2024. In addition, indicators for the third round of evaluation were released on October 11, 2024.

**The FSC, on October 29, 2024, released the "Green and Transition Finance Action Plan," covering six key areas—capital, data, disclosure, capacity building, ecosystem, and enhancing international influence—comprising 30 concrete measures. These include promoting the Taiwan Sustainable Taxonomy; guiding capital to support national infrastructure, social support programs, or the renewable energy industry; compiling average corporate carbon emission data, etc. The plan aims to drive industry- and society-wide decarbonization, enable an orderly transition, and advance green and transition finance as a key enabler of Taiwan's net-zero and sustainable development goals.**

**Implementing the second edition of the Taiwan Sustainable Taxonomy and the Suggested Elements for Transition Plans**

- On December 31, 2024, the FSC, together with the Ministry of Environment, the Ministry of Economic Affairs, the Ministry of Transportation and Communications, the Ministry of the Interior, and the Ministry of Agriculture, issued the second edition of the Taiwan Sustainable Taxonomy (hereinafter the Taxonomy) and the Suggested Elements for Transition Plans (hereinafter the Elements). Under these guidelines, enterprises are encouraged to disclose the applicability and compliance of their economic activities and their transition plans, while financial institutions are encouraged to apply the Taxonomy for investment and financing assessments and to disclose the proportion of their investments, financing activities, and financial products that are aligned with sustainability.
- The Taxonomy currently covers five industries—manufacturing; construction, building, and real estate; transportation and storage; waste management; and agriculture and forestry—comprising 29 ordinary economic activities and 14 enabling activities. The Elements recommend that corporate transition plans encompass five components: applicable and compliant sustainable activities, vision, implementation strategies and action plans, indicators and targets, and governance.

On October 21, 2024, the Taiwan Carbon Solution Exchange (TCX) held the launch ceremony and corporate forum for the domestic carbon credit trading platform. Senior officials from the National Development Council, the Ministry of Environment, the Ministry of Economic Affairs, the FSC, and the Kaohsiung City Government attended the event, marking the start of Taiwan's domestic carbon credit trading market. Through a fair, transparent, and secure trading platform for domestic carbon credits, the TCX aims to provide critical carbon-reduction capacity and help Taiwan advance toward its 2050 net-zero emissions target.



Former FSC Vice Chairperson Shu-chen Chiu attended the Domestic Carbon Trading Platform Launch and Business Insights Forum hosted by the Taiwan Carbon Solution Exchange on October 21, 2024.

### **Strengthening corporate governance in the insurance industry and improving sustainability information disclosure**

- The "2024 Seminar on Insurance Industry Corporate Governance" was held on October 1, 2024, to improve corporate governance in the insurance industry as well as the disclosure of sustainability information.
- On April 18, 2024, Article 8 of the "Regulations Governing Public Disclosure of Information by Non-life Insurance Enterprises" and Article 8 of the "Regulations Governing Public Disclosure of Information by Life Insurance Enterprises" were amended to revise the format for disclosing greenhouse gas inventory and assurance information. The amendments also require insurance companies to disclose their greenhouse gas reduction targets, strategies, and specific action plans.

**On April 3, 2024, the Non-Life Insurance Association filed the "Reference Clauses for Electric Vehicle Insurance" and related additional clauses with the FSC, and the "Standardized Contract Template for Automobile Insurance" was revised by the FSC accordingly.**

**On May 7, 2024, the "Regulations Governing Implementation of Internal Control and Audit System of Insurance Enterprises" were amended to require insurers to incorporate sustainability information management into control procedures. In addition, the management of sustainability information must be included in general audits and disclosed in internal audit reports.**

## **🌐 Strengthening international cooperation and exchanges**

**Taiwan joined the Global Agreement on Cooperation with Enforcement (Global CAPE) in March 2024. And on December 30, 2024, Taiwan and Lithuania signed the "Memorandum of Understanding on Cooperation in Financial Services Innovation." As of the end of 2024, Taiwan had signed 77 such agreements with 42 countries/regions, including 18 with nine New Southbound Policy partner countries.**

### **Important exchange activities with other countries in 2024**

- A virtual meeting was held with representatives of the Bank of Lithuania on January 25 to discuss topics such as banking sector development and cooperation in financial technology.
- A meeting was held with a delegation led by the Governor of the Central Bank of the Kingdom of Eswatini on March 5 to discuss financial cooperation.
- A meeting was held on September 3 with representatives from the Lithuanian Trade Representative Office and the Bank of Lithuania to discuss banking sector development and cooperation on financial technology.





Former FSC Vice Chairperson Shu-chen Chiu attended a meeting on September 3, 2024, with representatives from the Lithuanian Trade Representative Office and the Bank of Lithuania to discuss banking sector development and cooperation in financial technology.

- On October 8, 2024, the Federal Reserve Bank of San Francisco and the California Department of Financial Protection and Innovation (DFPI) co-hosted a roundtable meeting at the DFPI's Los Angeles office for managers of Taiwanese banks operating in the Western United States. The meeting allowed an exchange of views on key financial supervisory challenges and priorities between Taiwan and the United States. On October 10, 2024, a delegation visited the DFPI's San Francisco office to share experiences with financial regulation and supervision.

#### Participation in other international meetings and events in 2024

- The FSC participated in APEC-related meetings, including the Deputy Finance Ministers and Central Bank Deputy Governors Meeting held from February 21 to 24, 2024; the Senior Finance Officials Meeting from May 27 to 30, 2024; and the Finance Ministers' Meeting from October 18 to 21, 2024.



FSC Vice Chairperson Dr. Yen-liang Chen attended the APEC Finance Ministers' Meeting from October 18 to 21, 2024.

- The FSC attended the 2024 Asian Capital Markets Reform Roundtable organized by the Organisation for Economic Co-operation and Development in Japan on March 14 to 15.
- The FSC participated in the Taiwan-India Economic and Trade Dialogue Joint Working Group Meeting on September 4, 2024.
- The FSC participated in the 17th Taiwan-India Deputy Ministers' Economic and Trade Dialogue Meeting on October 1, 2024.
- The FSC attended the 11th Green Finance Investment Forum held by the OECD in Paris, France, from October 15 to 16, 2024.
- The FSC attended the European Bank for Reconstruction and Development Annual Donor Day Meeting on December 2, 2024.
- From December 16 to 20, 2024, the FSC collaborated with the Toronto Centre, a Canadian institution specializing in financial sector training, to jointly conduct a professional training program focused on combating financial crimes. Representatives from various Indo-Pacific countries, including the Philippines, Malaysia, Thailand, India, Vietnam, Mongolia, Cambodia, Maldives, Nepal, Laos, and Taiwan, participated in the program.
- The FSC attended the 49th IOSCO Annual Meeting in Athens from 26 to 31 May, 2024: the delegation presented Taiwan's regulatory experience at the APRC session and engaged in bilateral dialogue with key international securities regulators.



Financial Supervisory Commission, Taiwan

## 2024-2025 Annual Report

### Policy Directions and Priorities for 2025

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# Policy Directions and Priorities for 2025

## 🕒 Financial innovation and sustainability

To broaden the scope of innovation and enhance the FinTech regulatory sandbox framework, the FSC has drawn on international practices and market needs to draft amendments to the Financial Technology Development and Innovation Experiment Act. A review of these amendments is expected to be finalized in the fourth quarter of 2025.

To foster collaboration between financial institutions and FinTech-related industry associations, the FinTech Industry Alliance was launched on February 19, 2025, to promote FinTech research and applications, build cross-industry collaboration ecosystems, develop industry standards, and enhance investments and exchanges within the sector. This will accelerate collective innovation and strengthen overall FinTech development.

To advance FinTech development and innovation and align with international financial market trends, the FSC, through the ongoing work of the RWA Tokenization Task Force, will strengthen dialogue with industry participants and relevant institutions, focus on innovative technologies, business models, and applications, and formulate testing methods and future directions for each subgroup following simulated proof-of-concept exercises. After the presentation of an interim report in mid-January 2025, the task force will proceed with simulated validation, with a final report expected to be completed by the end of 2025. °

### Enhancing regulation and supporting the development of virtual asset service providers

- Implementation of an AML registration regime for VASPs: As part of efforts to strengthen AML oversight, the FSC promulgated the "Regulations Governing Anti-Money Laundering Registration of Enterprises or Persons Providing Virtual Asset Services" on November 26, 2024, in accordance with the amended Article 6 of the Money Laundering Control Act. The regulations set forth detailed provisions regarding registration applications, revocation or cancellation, asset listing/delisting review mechanisms, unfair trading prevention, asset segregation, information systems and cybersecurity, wallet management, and other operational requirements. The regulations took effect on November 30, 2024.
- Drafting of dedicated VASP legislation: The FSC is currently drafting a dedicated VASP Act, drawing on international practices and adapting to the realities of the domestic industry. The proposed legislation includes chapters on general provisions, VASP licensing, VASP industry associations, stablecoin issuance and management, supervision and enforcement, penalties, and supplementary provisions. Regulatory focus areas include licensing requirements, organizational structure, capital adequacy, personnel qualifications, financial reporting, and customer protection. In February 2025, the FSC held a public hearing with experts, academics, the VASP association, and relevant stakeholders. The draft was submitted to the Executive Yuan on June 28, 2025.

To encourage financial institutions to develop secure and reliable virtual asset custody services and to foster domestic financial innovation, the FSC accepted applications from financial institutions to conduct thematic business trials of virtual asset custody services from January to April 2025. It resumed accepting submissions starting June 15, 2025. As of the end of July 2025, four banks had submitted applications, all of which have been approved. The FSC will take the results of these trials into account when developing supplementary regulations and advancing related policy initiatives.

Regarding accepting applications to establish a digital insurer, the FSC amended the "Regulations Governing Permission and Administration of Insurance Enterprises" along with 14 related regulations on July 30, 2025. Additionally, the FSC launched a regulatory clinic to provide consultation services and published relevant information on the "digital insurers" section of its website to facilitate public understanding of its policy.

On February 7, 2025, the FSC amended Articles 4 and 9 of the "Directions for Promoting Insurance Service Business Through Collaboration with Business Entities in Other Industries," opening up channels for cross-industry collaboration in promoting travel-related insurance, including involving the business premises of travel product vendors and the official websites and apps of mobile communication service providers (in scenarios involving international roaming services). The amendments also strengthened insurers' internal controls and compliance mechanisms for cross-industry collaborations. On April 15, 2025, the FSC amended the "Directions for Insurance Enterprises Engaging in Electronic Commerce Business" to: (1) relax restrictions on travel insurance products purchased online where the applicant and the insured are different persons; (2) expand the types of life insurance products available for online purchase; and (3) allow the use of eligible vouchers or membership points to offset insurance premiums.

Recognizing that identity verification is a critical element of digital infrastructure and that the Financial Fast-ID mechanism is essential for facilitating public access to digital financial services, the FSC plans to further expand the scope of services available under the Financial Fast-ID project in 2025, and will establish a cross-system "Financial Fast-ID Authentication and Connection Hub" to connect existing systems and enhance identity verification interoperability.

To ensure that all groups, particularly the disadvantaged, enjoy equal and convenient access to digital financial services, the FSC plans to issue "Guidelines on Inclusive Digital Financial Services" in the fourth quarter of 2025. These guidelines will serve as a key reference for financial institutions in developing digital services and promoting financial inclusion.

At the end of 2024, the FSC, together with the Ministry of Environment, the Ministry of Economic Affairs, the Ministry of Transportation and Communications, the Ministry of the Interior, and the Ministry of Agriculture, jointly released the second edition of the Taiwan Sustainable Taxonomy and the Suggested Elements for Transition Plans. To facilitate better understanding and adoption of the Taxonomy and the Elements by enterprises and the financial sector in advancing decarbonization and sustainable transition, a total of 18 outreach sessions are scheduled for 2025 to help enterprises and financial institutions better understand the Taxonomy, related policies, and incentive measures, and feedback will be collected to further refine the Taxonomy.



The FSC plans to cooperate with relevant ministries and agencies to collect data on ESG-related penalties, certifications, and nature-related information such as biodiversity. On February 24, 2025, a dedicated section addressing Nature-Related Physical Risk Data was added to the Climate Physical Risk Information Integration Platform for the Financial Industry, providing financial institutions with relevant data links and files for reference. The FSC will also explore standardized data processing to enable enterprises to leverage ESG data for the provision of financial services and further sustainable development.

To strengthen the cultivation of sustainable finance professionals, the FSC on February 26, 2025, promulgated the "Directions for the Accreditation of Sustainable Finance-Related Certifications under the Sustainable Finance Evaluation Indicators." This initiative establishes a recognition mechanism for sustainable finance-related certifications under the Sustainable Finance Evaluation Framework to expand the pool of financial professionals having expertise in sustainable development.

The third round of the Sustainable Finance Evaluation will broaden the scope of institutions subject to assessment and incorporate emerging sustainability policies and issues of public concern into the evaluation indicators. This aims to strengthen the role and influence of financial institutions in the net-zero transition and sustainable development, and to encourage deeper application of sustainability practices across the financial industry and other sectors. The evaluation indicators will continue to be adjusted in line with international developments and Taiwan's policy directions. The preliminary assessment process commenced in May 2025.

Starting in 2025, the FSC plans to conduct annual industry-specific briefings for high-carbon and transition-prone industries. These briefings, led by the competent authorities and the financial sector, will highlight the importance of climate change risk management and industrial transition, with the aim of enhancing corporate recognition of ESG and encouraging transformation to create new business opportunities.

Starting from 2025, the FSC plans to conduct annual forums and workshops on investment and financing for enabling activities and key strategic industries. The discussions and outcomes of these forums and workshops will be compiled and provided as reference for the financial institutions. In May 2025, a forum on energy service companies was held, while a forum on the geothermal industry is scheduled for September.

Based on the results of the first climate change scenario analysis conducted by domestic banks in 2023, the FSC instructed the Bankers Association to enhance related operational planning. By the end of 2024, the Association had completed the Climate Change Scenario Analysis Operational Plan for Taiwanese Banks (2024), which serves as the basis for the 2025 scenario analysis. This initiative aims to further strengthen the banking sector's climate resilience and its capacity to respond to related risks.

Commencing from fiscal year 2026, listed companies are mandated to apply ISSB Standards in three phases according to their paid-in capital. The FSC has been coordinating the task force to assist the listed companies to smoothly align with ISSB Standards. The task force has completed the translation of ISSB Standards, compiled a set of FAQs, provided a template of plans for implementing ISSB Standards and disclosure samples on IFRS S2, and held greenhouse gas inventory workshops. Besides, the task force also guided Phase 1 companies in executing their implementation plans.

To comply with the roadmap for Taiwan-listed companies to align with ISSB Standards, the FSC will finish amending the "Regulations Governing Information to be Published in Annual Reports of Public Companies" in the third quarter of 2025 and oversee a task force to help listed companies to smoothly align with ISSB Standards. The task force continues to collect the external inquiries and compile them into a set of Frequently Asked Questions, provide examples of disclosures under IFRS S2 for different industries, and hold greenhouse gas inventory workshops. The task force will also continue to assist Phase 2 and 3 companies to align with ISSB Standards.

The FSC continues to encourage the insurance industry to invest in and finance renewable power plants and sustainability bonds, as well as to develop green insurance products. Separately, the FSC instructed the Taiwan Insurance Institute to establish, by April 2025, a green insurance section on its website to disclose relevant statistical information and requested insurance companies to disclose the implementation status of green insurance products.

Starting in 2025, all TWSE and TPEx-listed companies will be required to prepare sustainability reports. The Taiwan Stock Exchange has established a digital platform to assist companies in preparing these reports. In addition, if either gender holds less than one-third of a company's board seats, the company must disclose the reasons and corresponding measures in its annual shareholder meeting report. To further strengthen the independence of independent directors, a new evaluation indicator has been added to the 2025 Corporate Governance Evaluation: limiting independent directors' tenure to no more than three terms

Since the enactment and promulgation of the Insurance Act on December 30, 1929, the financial environment has undergone significant changes, particularly in areas such as financial technology, sustainable finance, and capital supervision systems. To facilitate the long-term development of the insurance market, on February 17, 2025, the FSC formally requested the Taiwan Insurance Institute to initiate foundational work for a structural revision of the Insurance Act. The Institute is expected to submit the results of its research and deliberation by the end of 2025.

## Financial stability and consumer protection

### **The FSC's consumer protection measures for financial leasing companies**

- The FSC instructed the Taiwan Stock Exchange and the Taipei Exchange to supervise leading listed financial leasing companies more closely and supported the Taipei Leasing Association in formulating self-regulatory rules for Buy Now Pay Later (BNPL) services and used car financing. Given concerns that leasing companies rely heavily on bank borrowing, the FSC also oversaw the Bankers Association in developing lending practice guidelines for financial institutions providing credit to leasing companies.
- The FSC is considering rolling out in stages, measures in accordance with Article 3, Paragraph 1 of the Financial Consumer Protection Act, designating qualifying financial leasing companies as financial service enterprises, thereby bringing them within the scope of the act. Related subordinate regulations will be amended to clearly define business conduct standards for these companies, including rules on advertising and customer solicitation, suitability assessments, and information disclosure. Additionally, the Financial Ombudsman Institution's fee structure for financial leasing companies will be revised as part of supporting measures.

- The FSC gave advance notice concerning four related regulatory orders on April 23, 2025, and officially issued them on June 30, 2025. The effective date of these measures will be set within two to three months from the date of promulgation, giving financial institutions enough time to make the necessary operational adjustments.

To enhance the government's capacity to prevent and combat fraud, the Executive Yuan approved the "Next-Generation Anti-Fraud Strategy Guidelines Version 2.0," which aims to significantly strengthen the effectiveness of national fraud prevention efforts. As the coordinating authority for financial fraud interception, the FSC supervises financial institutions in line with the strategies of the Executive Yuan and relevant ministries. These efforts focus on disrupting illicit fund flows through five strategy frameworks: technology-based fraud interception, precision-based fraud interception, collaborative fraud interception, customer care-based fraud interception, and responsibility-driven fraud interception. Through close public-private cooperation, the FSC aims to further enhance the overall effectiveness of fraud prevention measures.

To strengthen engagement with disability advocacy groups and further enhance the quality of disability-inclusive financial services, the FSC continues to urge the Bankers Association to engage in regular dialogue with disability advocacy groups and to include key concerns raised by persons with disabilities as standing items on the agenda.

To further strengthen consumer protection and make the Assessment of the Implementation of Treating Customers Fairly Principles more transparent and easier to understand, the FSC has engaged the services of the Securities and Futures Institute (SFI). A working group formed by SFI together with the Taiwan Academy of Banking and Finance (TABF) and the Taiwan Insurance Institute (TII) is assisting in carrying out the assessment.

The 2025 assessment, which looks at the performance of financial institutions during 2024, is expected to be finalized in the third quarter of 2025, with the results to be published soon after. The goal is to push the industry to raise service quality and better apply fair treatment practices.

To align with the amended Electronic Signatures Act and advance the digitalization of shareholder services in Taiwan, the FSC issued an order on October 25, 2024, approving the Taiwan Depository & Clearing Corporation to establish an eCounter platform. This platform enables public companies to provide shareholders with the option of using digital signatures to apply online to open a shareholder account and to update basic personal information. This will not only improve the efficiency and convenience of public companies and their shareholders in handling stocks, but also assist enterprises with implementing energy conservation and carbon reduction initiatives by replacing paper applications with electronic ones. The platform was officially launched on May 19, 2025.

The FSC also continues to supervise securities and futures-related organizations in conducting public education campaigns against fraud. The FSC has also instructed the VASP Association to ensure that VASPs appoint dedicated anti-fraud officers.

On February 26, 2025, Paragraph 2 of Article 25 of the "Regulations Governing the Establishment and Administration of an Ombudsman" was amended to read: "At the close of each fiscal year,



the surplus of revenues over expenditures of the dispute resolution institution, excepting net financial income, shall be put toward adjusting total fees for the following year." An exception was added to establish a fair and reasonable retained-surplus mechanism.

**Deliberating a feasibility study on adjusting compulsory automobile liability insurance rates and reviewing compulsory automobile liability insurance rates**

- The FSC is expected to deliberate a feasibility study on excluding gender factors in rate calculation, increasing rate levels for accidents causing death or serious injury, and implementing a mechanism to record non-owner drivers in insurance claims by the end of 2025.
- To implement the breakeven principle for compulsory automobile liability insurance and improve the insurance system, the FSC expects the Taiwan Insurance Institute to submit an actuarial review report in the third quarter of 2025.

**On January 13, 2025, the Non-Life Insurance Association filed the "Reference Clauses for Commercial Automobile Driver Liability Insurance" and "Additional Clauses for Risk Surcharge in the Automobile Transportation Industry" with the FSC.**

The FSC held an award ceremony connected to implementation of the Trust 2.0 Promotion Plan by trust enterprises, and published the Trust Business Development Strategy Blueprint to provide long-term business guidelines for Taiwan's trust enterprises. The FSC implemented the "Trust Business Development Evaluation and Reward Measures" starting from 2025 to continuously encourage trust enterprises to enhance their service functions and meet the diverse development needs of society.

The FSC continues to encourage the insurance industry to promote microinsurance and micro-whole-life insurance and collaborates with local governments and central government ministries to expand the reach of microinsurance in pursuit of financial inclusion.

The FSC is developing submission guidelines for premium adjustments on guaranteed renewable individual health insurance products, along with a review and revision of policyholder notification requirements, to ensure regulatory compliance by insurers.

The FSC has announced the 2024 results of the Financial Inclusion Indicators for Taiwan, which look at the current state of financial inclusion and the effectiveness of government policy implementation. The indicators for 2025 have been adjusted to further enhance the comprehensiveness of financial inclusion indicators for Taiwan.

On January 13, 2025, the FSC filed the "Guidelines for Financial Friendly Service Standards of Insurance Enterprises" submitted by the Non-Life Insurance Association and the Life Insurance Association to encourage insurance enterprises to design diversified training programs by establishing clear objectives, topics, confirmation mechanisms, and instructor selection processes, in order to ensure that friendly and appropriate services are provided in accordance with the needs of person with disabilities.

In addition to strengthening the guidance and capacity building of teachers at the senior high school level and below, the FSC is reviewing and updating financial education teaching materials. The plan includes the production of instructional videos and thematic teaching

modules on financial fraud prevention for senior high and junior high schools, as well as the development of thematic teaching materials in the form of comics or picture books tailored for elementary school students.

The FSC will continue to provide resources concerning basic financial education, fostering and cultivating sound financial literacy among students in a systematic manner.

The FSC released the selection guidelines for the Financial Literacy Contribution Award on May 26, 2025, and the award ceremony is scheduled to take place during the fourth quarter.

The FSC will continue to designate financial consumer protection as annual financial examination focus in 2025, and will also conduct targeted examinations and provide related supervisory suggestions in a timely manner.

Referring to international cybersecurity trends, measures will be taken to strengthen the security of artificial intelligence applications, software supply chains, and data encryption in financial institutions. Additionally, cloud service security configuration benchmarks and cybersecurity monitoring benchmarks will be developed to guide financial institutions in securing their use of cloud services.

Simulating international APT methods, from June, the FSC has been conducting DDoS defense drills and cybersecurity offense-defense exercises and competitions for financial institutions.

The FSC continues to supervise the continued operation of the Financial Information Sharing and Analysis Center by the Financial Information Service Company, strengthen correlation analysis and sharing capacity of cybersecurity intelligence, and continue to provide such services as information sharing, joint defense monitoring, and computer emergency response to enhance the joint defense and overall cybersecurity capabilities of financial institutions.

The FSC will make rolling adjustments to its annual examination focuses and plan for thematic targeted examinations. In its examinations, the FSC will also enhance its review of the effectiveness of financial institutions' business continuity plans and cybersecurity defense capabilities, thereby enhancing their IT operational resilience and cybersecurity risk management capabilities.

## Asian Asset Management Center

### Pilot Programs in Local Asset Management Zones

On April 1, 2025, the FSC promulgated the "Operational Directions for Financial Institutions Applying for Business Trials in Local Asset Management Zones" (hereinafter "the Directions"), allowing financial institutions to establish operation units within such zones to conduct designated financial businesses on a collective trial basis within specified geographic areas. Where the pilot operations of bank branches in the zones demonstrate positive contributions to market development, the FSC will proceed to amend relevant laws, regulations, or self-regulatory rules to formalize the implementation of these business items. Pilot programs include:

- An integrated one-stop financial services platform – Authorizing OBUs to conduct agency trading of foreign currency bonds, act as securities introducing brokers for placing orders in equity-based

foreign currency securities, and distribute private equity funds; permitting designated domestic foreign exchange banks, via trust agreements, to purchase unlisted financial products on behalf of high-asset customers without pre-listing review, and to distribute domestic private equity funds.

- Enhancing flexibility in capital utilization – Expanding the scope of financial asset portfolio financing (Lombard lending) to include policy loans and premium financing; and permitting lending secured by beneficial interests in self-benefit specific-purpose money trusts with loan-to-value ratios not limited to 50 percent.
- Providing cross-border financial services – Allowing domestic banks to introduce or market financial products and services of their overseas branches to customers in the zones, and to assist overseas branches with account-opening procedures for zone customers, including document transmission, in-person verification, signature witnessing, and contract execution.
- Diversified financial services: OBUs can engage in joint marketing or account opening with OIUs, OSUs, or other financial institutions within the same financial holding group, as well as conduct family office–related business.
- Insurance wealth management business: Insurers may provide diversified foreign currency insurance products to designated customers.

#### **Expanding the scale of the domestic asset management industry**

- The FSC promoted the listing of active ETFs and passive multi-asset ETFs to provide investors with diverse investment products and encouraged groups to place assets under discretionary investment arrangements with SITEs by relaxing the restrictions on full discretionary investment mandates.
- To reduce fluctuations in the net value of discretionary investment-linked insurance accounts, thereby facilitating stable growth in the asset scale of separate accounts of investment-linked insurance products and promote the overall expansion of Taiwan's asset management industry, the FSC amended the "Directions for the Separate Account Custodian Institutions and Investment Instruments of Investment-linked Insurance" on February 18, 2025. The amendment conditionally allows discretionary accounts to be linked to leveraged and inverse ETFs for the purposes of risk management and hedging.
- On January 22, 2025, the "Regulations Governing Transactions Other Than Loans between Insurance Enterprises and Interested Parties" were amended to relax the scope and limits on discretionary investment transactions between insurance enterprises and interested parties. This amendment aims to encourage insurance enterprises to engage in discretionary investment transactions with domestic asset management companies.

#### **Capital Investment in Public Infrastructure Projects**

- Public infrastructure and financial product development: To align with the Trillion NT Dollar Investment National Development Plan and encourage insurers to invest funds in domestic public infrastructure and real-world industries, the FSC has required that the TWSE and the TPEx form a Capital Market Service Team in charge of advising and assisting the government in issuing securitized products for public projects and sustainable bonds. This initiative aims to expand the category and scale of public financial products related to public infrastructure and increase investment opportunities.



- Public infrastructure and aging society investment: The FSC will review the "Regulations Governing Use of Insurers' Funds in Special Projects, Public Infrastructure, and Social Welfare Enterprises" and issue relevant interpretations. These amendments aim to ease the total investment limit, expand the scope of allowable investment for insurers' funds, and adjust the regulation of independent directors in public infrastructure and social welfare enterprises, thereby encouraging insurance companies to invest in public infrastructure and aging society-related businesses through both direct and indirect channels.
- Strategic investment projects: The FSC will continue to promote the "Insurance Investment Program for Six Core Strategic Industries, Public Investment, Long-Term Care Services, and Sustainability Bonds." Once a promotion plan for the five trusted industry sectors, overseen by the National Development Council, is approved by the Executive Yuan, and the competent authorities of relevant industries provide definitions and Standard Industrial Classification codes for the five trusted industries, the FSC will amend regulations to allow insurance companies to invest in and finance these industries and develop incentive measures.
- REIT Promotion Initiative: Amendments to the Securities Investment Trust and Consulting Act being reviewed by the Legislative Yuan would allow REITs to be issued under a new structure. This will facilitate the development of more diversified investment instruments in the market. Moving forward, the FSC will assist industry participants with launching new types of REITs to invigorate Taiwan's real estate securitization market.
- Expanding the Issuance of Government Sustainability Bonds: In 2025, the Capital Market Service Group will continue to assist all levels of government in issuing sustainability bonds. In addition to the NT\$10 billion (six issues) and NT\$2 billion (on issue) in sustainability bonds issued by the Taipei City Government and Kaohsiung City Government, respectively, in 2024, the Kaohsiung City Government further issued NT\$2.5 billion in sustainability bonds on January 3, 2025. The Taoyuan City Government obtained qualification approval for sustainability bonds totaling NT\$6 billion on December 31, 2024, and issued NT\$1.2 billion on March 18, 2025. In line with the Trillion NT Dollar Investment National Development Plan, efforts will continue to assist the government in expanding the issuance of sustainability development bonds to raise funds for public infrastructure and guide capital market investment into public and national construction.
- Broadening the scope of investment in venture capital and innovation: On March 26, 2025, the FSC issued an interpretation broadening the scope of private equity funds in which insurers are permitted to invest to include public infrastructure projects under public-private partnerships, ESG initiatives, and social welfare enterprises. To further encourage insurers to invest in venture capital businesses and private equity funds, the FSC is currently reviewing measures to apply lower risk factors to a certain portion of such investments. Looking ahead, the FSC also plans to broaden the scope of domestic private equity funds eligible for insurance industry investment to include Taiwan's five trusted industries and to introduce new award categories for venture capital and private equity in future incentive programs to foster greater insurer participation.

### **Expanding wealth management services for high-net-worth clients**

- The FSC issued amendments to Articles 23 of the "Regulations Governing Securities Firms Accepting Orders to Trade Foreign Securities" to allow foreign securities purchased by securities firms at the behest of high-net-worth legal-person investors and high-asset legal-person customers to be deposited in the custody of a foreign depository designated by the principal on June 5, 2025. The amendments facilitate legal-person customers' entrustment of orders with securities firms and securities firms maintaining of relationships with clients and thereby promotes business expansion.
- On June 30, 2025, high-asset corporate clients were permitted to designate foreign custodians for the safekeeping of foreign securities, thereby facilitating their continued trading through securities firms via the omnibus trading arrangement. In addition, the entry requirements for securities firms to concurrently operate discretionary investment business will be eased, while the scope of permissible entrusted investment services will be expanded. Such regulatory relaxations will enhance service efficiency, enable securities firms to offer more diversified products, and undergird their ability to provide wealth management services to high-net-worth clients.

**On July 18, 2025, securities firms were permitted to sell private equity and venture capital funds in which they have invested or which they have been entrusted to manage to high-asset clients. This measure aims to promote the development of PE and VC fund businesses by securities firms.**

**On June 9, 2025, the FSC launched simplified online account opening process and order placement identity verification procedures for OSU offshore customers. This change permits OSUs to deposit offshore customer funds at foreign custodial banks and OSUs to provide unrestricted-purpose loans to offshore customers. These measures aim at enhancing the liquidity of offshore customer funds, diversifying product offerings, and improving the international competitiveness of Taiwan's securities firms.**

### **Further the diversification of insurance products and revitalize the OIU business**

- To meet demands raised concerning OIU product development, the FSC has relaxed relevant regulations governing the design of OIU insurance products, thereby enabling the insurance industry to develop innovative OIU insurance products tailored to the needs of foreign nationals. Furthermore, the FSC will evaluate practical operational models for OIU business within designated zones to facilitate the development of Taiwan as an Asian asset management center.
- Extension of the OIU tax exemption period: An amendment to Article 22-16 of the Offshore Banking Act promulgated July 16, 2025, extends the exemption period for business income tax, business tax, stamp tax, and income tax withholding for OIUs through the end of 2035.

**The FSC continues to plan and promote the Taiwan Individual Savings Account (TISA) program by initially adopting a public-private partnership model to launch TISA without tax incentives. The FSC has supervised the Taiwan Depository and Clearing Corporation to help individuals establish and manage accounts. Fund management companies will proactively offer various mutual fund products with discounted management fees and waived subscription charges, to attract individuals toward disciplined medium- to long-term investing. The TISA program began in July 2025.**

## Other important financial policies

The FSC will release the Financial Market A+ Project before the fourth quarter of 2025, following interviews with relevant stakeholders to gather external opinions on market development needs and challenges. The program will provide the necessary support and resources for financial market development, foster the sound growth of the financial ecosystem, enhance the competitiveness of Taiwan's financial industry, and continuously improve the quality of financial services.

The FSC will seek to continue to sign MOUs on financial supervision or FinTech cooperation with various countries to expand international financial exchanges and cooperation; actively participate in meetings of financial-related international organizations and engage in supervisory exchanges or share supervisory best practices with target countries to strengthen international connections.

The FSC has released its 2025 financial examination focuses and prioritized the following items: anti-fraud measures, risk management in the real estate lending business, financial consumer protection (including personal data protection/protection of the rights of persons with disabilities/control of the sales practices of wealth management), corporate governance, and information security.

Targeted financial examinations are conducted to enhance supervision of specific business lines or projects of financial institutions that complement full-scope examinations.

The draft amendment to the "Regulations Governing the Investing Activities of a Financial Holding Company" completed the regulatory pre-notification process on July 4, 2025. Key proposed amendments include raising the shareholding requirement for financial holding companies to exceed 25% for their first investment in financial holding companies, banks, insurance companies, and securities firms; and specifying that financial holding companies' investments in public takeovers of publicly listed companies must be limited to cash consideration. Public opinion is being sought on these matters.

Based on previously drafted amendments to the Financial Holding Company Act and the Banking Act, a review is being conducted in line with the principles of matching authority with responsibility and ensuring information transparency. The review focuses on the reasonableness of regulations governing transactions with related parties, as well as on aligning with the amendments to the Business Mergers and Acquisitions Act, and examines the relevant provisions accordingly.

On March 19, 2025, the "Implementation Rules for the Internal Audit and Internal Control System of Specialized Electronic Payment Institutions" were amended and promulgated. When specialized electronic payment institutions appoint certified public accountants to audit the internal control system, the audit report must meet requirements for reasonable assurance. Also, if a specialized electronic payment institution whose total assets audited and certified by a certified public accountant in the previous year amounted to NT\$1 billion or whose number of users reached two million or more, it must set up a dedicated information security unit and appoint a supervisor to take charge of information security work.

On July 8, 2025, the Executive Yuan approved the Five Trusted Industry Sectors Promotion Plan. To continue supporting national policy priorities and industrial development, the FSC will continue to facilitate financing support for these industries in line with the Executive Yuan's approved plan.

In collaboration with the Taiwan Stock Exchange and the Taipei Exchange, in 2025 the FSC will continue to visit promising, high-quality enterprises and organize or participate in industry activities and seminars, helping quality enterprises enter the capital market to raise funds, thereby expanding the overall scale of the capital market.

#### **Expand investment in venture capital and startups**

- The FSC is developing a private placement fund information platform to support the growth of venture capital and private placement funds.
- The FSC will amend regulations to expand the scope of insurance fund investments in domestic private equity to include public-private partnership infrastructure, ESG industries, and social welfare businesses, and will add awards for private equity and venture capital funds under incentive programs for the five trusted industries.
- Establishing an Investment Platform for Startups: The FSC is helping small, medium, and micro startups with fundraising and growth through the Go Incubation Board for Startup and Acceleration Firms (GISA), which has two main functions: free advisory services and equity fundraising. To support more startups achieve sustainable growth, GISA mechanisms were loosened in January 2025 to strengthen incentives, simplify procedures, enhance promotion and provide tiered guidance.

To attract domestic and international investors and highlight the strengths of Taiwan's capital markets, the FSC is working with the Taiwan Stock Exchange and other related institutions on holding Taiwan Week from October 15-23, 2025. This initiative will push to position Taiwan as an Asian asset management center to maximize effectiveness of related policies and reinforce Taiwan's appeal to global investors.

To bolster risk management for financial institutions engaging in OTC derivatives, and in light of developments in major international financial markets, the FSC supervised the TAIEX in launching voluntary centralized clearing for New Taiwan Dollar IRS contracts on July 25, 2022. Considering progress made in the market, the FSC announced on March 18, 2025, in accordance with the stipulations of Article 3, Paragraph 2 of the Futures Trading Act, that all New Taiwan Dollar IRS transactions between financial institutions would be subject to mandatory centralized clearing on the TAIEX, effective on July 1, 2025. This will strengthen risk management for financial institutions and enhance financial market stability.

To improve the regulatory system and allow the Investor Protection Center to initiate derivative suits and discharge suits, strengthen managerial integrity, and promote corporate governance, the FSC has drafted amendments to certain articles of the Securities Investor and Futures Trader Protection Act. The key points include expanding independent causes for the protection institution to initiate derivative suits and discharge suits as well as funding sources for the



protection institution's operations. These amendments will facilitate SFIPC's future business development. The Legislative Yuan approved the amendments on July 1, 2025, and they were promulgated by the president on July 16, 2025.

Holders of convertible/exchangeable bonds and corporate bonds with warrants may request conversion during the book-closure period for a shareholders' meeting: The FSC released an amendment to certain articles of the "Regulations Governing the Offering and Issuance of Securities by Securities Issuers" on May 5, 2025, which took effect on July 1, 2025. A bondholder of convertible/exchangeable corporate bonds and corporate bonds with warrants may request a conversion/exchange or to exercise the warrants at any time during the book closure period for regular shareholders' meetings and special shareholders' meetings in accordance with the terms of conversion/exchange or of exercise set by the issuer. However, if a request for conversion/exchange is received during the aforementioned book closure period, the entries in the shareholder register are to be altered in accordance with the relevant provisions of the Company Act so as not to affect the current shareholders' meeting. With this amendment, investors are given more flexibility in choosing the timing of conversion/exchange and subscription, thus enhancing investor rights.

In August 2024, the FSC finalized its public notice on draft amendments to certain articles of the Insurance Act, adding the types of insurance contracts exempt from compulsory enforcement and the system of the right to intervene, and submitted it to the Executive Yuan on March 3, 2025. The Legislative Yuan approved of the amendments on June 3, 2025, and the president promulgated them on June 18, 2025.

#### **Promoting the smooth adoption of IFRS 17 by the insurance industry in 2026**

- The year 2025 is the opening balance date for IFRS 17, after which both IFRS 4 and IFRS 17 accounting systems will operate concurrently. The FSC will continue to support insurance companies in carrying out IFRS 17 opening balance operations, while overseeing the IFRS 17 Project Platform of the Taiwan Insurance Institute to ensure adherence to the adoption roadmap. This includes assisting insurers with resource allocation and providing training programs to ensure the smooth implementation of IFRS 17 in 2026.
- In response to the adoption of IFRS 17, reserves will shift from being measured using statutory formulas and locked-in policy rates to fair value measurement. Life insurers are required to set aside a policy value deficiency reserve for the portion of the policy reserve that falls below the non-forfeiture value to protect policyholders' interests.

- Subsequent regulatory reviews and updates will be conducted in line with the ongoing assessment of IFRS 17.

**Completing preparatory work for the implementation of the new solvency regime:**

- To align with the new solvency regime, the FSC continues to conduct quantitative impact assessments addressing localized scenarios for the insurance industry to determine adjustment measures suited to Taiwan's market environment.
- In line with the planned framework of the new solvency regime, the FSC will amend and promulgate the "Regulations Governing Capital Adequacy of Insurance Companies" and establish guidelines for the calculation of insurers' capital resources and capital requirements.
- For insurers applying to adopt transitional measures, the FSC will accept and review their applications and complete the related examination processes.

**Revising the "Regulations Governing Real Estate Investment by Insurance Enterprises":** The benchmark interest rate used for determining the statutory yield of real estate investments by the insurance industry should be stable to avoid the impact of sudden short-term interest rate hikes. On January 7, 2025, amendments to Article 2 of the "Regulations Governing Real Estate Investment by Insurance Enterprises" was announced to define the benchmark interest rate as the average interest rate of the two-year small postal time deposit floating rate announced by Chunghwa Post Co., Ltd., on January 1 of each year over the past five years.



Financial Supervisory Commission, Taiwan

**2024-2025 Annual Report**

## Appendices









## Appendices

### 🕒 FSC management team

Front row (left to right)

Counselor | Chun-Ming Kuo

Director-General of Insurance Bureau | Li-Hui Wang

Director-General of Banking Bureau | Chen-Chang Tong

Vice Chairperson | Yen-Liang Chen

Chairperson | Jin-Lung Peng

Vice Chairperson | Hsou-Yuan Chuang

Chief Secretary | Chih-Chi Lin

Director-General of Securities and Futures Bureau | Chen-Shan Chang

Director-General of Financial Examination Bureau | Shin-Kuo Lai



### Back row (left to right)

Director of Secretariat Office | Jyun-De Jiang

Director of Civil Service Ethics Office | Fan-Hui Chen

Director of Accounting Office | Mei-Ying Tai

Director-General of Department of International Affairs | Joe Lai

Director of Department of Development and Innovation | Brenda Hu

Director-General of Department of Legal Affairs | Chih-Hsien Lin

Director-General of Department of Planning | Stanley Lin

Director-General of Department of Information Management | Yuh-Tay Lin

Director of Personnel Office | Ming-Kun Ren





## ● Financial statistics overview

### Banking industry

- Business Overview

- » Assets and net worth continued to increase: At the end of 2024, total assets and net worth of the banking sector were NT\$86.9 trillion and NT\$5.8 trillion, respectively, including NT\$72.1 trillion and NT\$5.2 trillion, respectively, in domestic banks.
- » Annual profits reached a record high:
  - In 2024, the banking sector's profits before tax reached NT\$565.6 billion, a new historic high and up NT\$59.8 billion over 2023. This was mainly driven by sustained stock market gains and high interest rates, which spurred robust demand for financial products and drove an increase in wealth management service revenue. In addition, strong lending momentum, supported by AI applications, a buoyant housing market, and the Preferential Housing Loans for Youth program, contributed to growth which boosted net income from all sources.
  - In 2024, the return on assets and return on equity of domestic banks were 0.76% and 10.55%, respectively, up by 0.03 percentage points and 0.15 percentage points from 2023.
- » Loans extended by domestic banks continued to grow  
Outstanding loans of domestic banks stood at NT\$42.2 trillion at the end of 2024. Meanwhile, non-performing loans amounted to NT\$61.4 billion, resulting in an NPL ratio of 0.15%. The coverage ratio was 935.2%.



● Important indicators

Unit : firm : NT\$Bn

Item	2019	2020	2021	2022	2023	2024
<b>Number of banks</b>						
Head office	110	111	114	119	118	118
Domestic banks	36	37	38	39	38	38
Local branches of foreign and mainland Chinese banks (1)	29	29	30	31	31	31
Credit cooperatives	23	23	23	23	23	23
Bills finance companies	8	8	8	8	8	8
Postal savings system	1	1	1	1	1	1
Credit card companies	4	4	4	4	4	4
Specialized electronic payment institutions	9	9	9	11	10	9
Foreign migrant worker remittance companies	0	0	1	2	3	4
Branches	5,055	5,056	5,059	5,040	5,048	5,035
Domestic banks (2)	3,405	3,403	3,404	3,384	3,393	3,379
Local branches of foreign and mainland Chinese banks (3)	38	38	39	40	40	40
Credit cooperatives	284	285	287	288	289	291
Bills finance companies	30	30	30	30	30	30
Postal savings system (4)	1,298	1,300	1,299	1,298	1,296	1,295
Credit card companies	0	0	0	0	0	0
Specialized electronic payment institutions	0	0	0	0	0	0
Foreign migrant worker remittance companies	0	0	0	0	0	0
Deposits of the banking sector (NT\$Bn)	42,842.3	46,908	50,451.1	54,830.2	57,480.5	61,842.4
Domestic banks' share (%)	95.30	95.50	96.42	95.47	95.55	96.11
Local branches of foreign and mainland Chinese banks' share (%)	3.06	2.91	2.00	3.02	2.95	2.43
Credit cooperatives' share (%)	1.64	1.59	1.58	1.51	1.50	1.46
Loans of the banking sector (NT\$Bn)	31,759.3	33,461.6	35,747.1	38,824.5	40,398.8	44,312.2
Domestic banks' share (%)	93.47	94.04	94.20	94.41	95.22	95.25
Local branches of foreign and mainland Chinese banks' share (%)	4.96	4.40	4.26	4.10	3.28	3.27
Credit cooperatives' share (%)	1.57	1.56	1.54	1.49	1.50	1.48
<b>Non-performing loans (NPLs)</b>						
NPLs of banking sector (NT\$Bn)	64.2	70.2	59.7	55.1	55.4	62.0
NPLs of domestic banks (NT\$Bn)	63.6	69.2	58.7	54.7	54.9	61.4
NPLs ratio of banking sector (%)	0.20	0.21	0.17	0.14	0.14	0.14
NPLs ratio of domestic banks (%)	0.21	0.22	0.17	0.15	0.14	0.15
Coverage ratio of domestic banks (%)	651.78	623.24	776.24	910.46	968.74	935.20
<b>Domestic bank profitability</b>						
Return on equity (ROE) (%)	9.38	7.70	8.03	9.19	10.40	10.55
Return on assets (ROA) (%)	0.72	0.59	0.59	0.64	0.73	0.76

Note: 1. The data exclude Agricultural Bank of Taiwan.

2. "Banking Sector" includes domestic banks, local branches of foreign & mainland Chinese banks, and credit cooperatives.

Remark: (1) The data refer to the total number of foreign banks in Taiwan and are included in the data of "Branches."

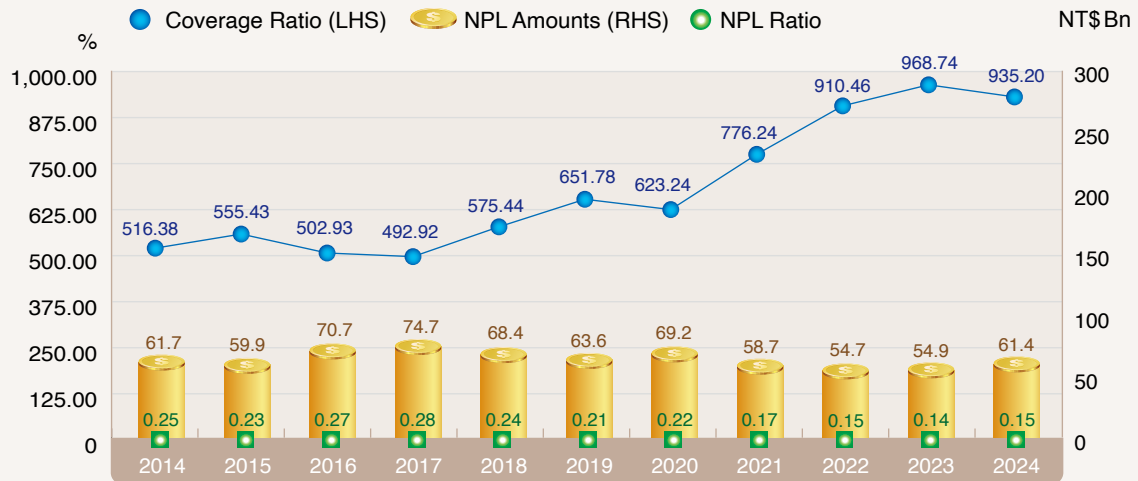
(2) The data exclude OBUs and overseas branches.

(3) The data refer to the total number of foreign banks' Taiwan branches.

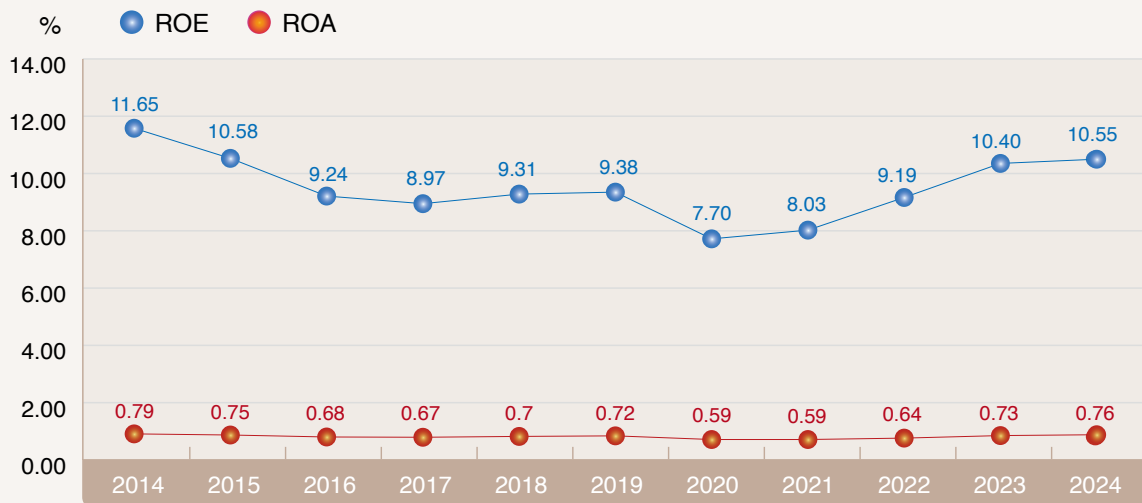
(4) The data exclude the postal agency.



## | NPL Ratio & Amounts VS Coverage Ratio of Domestic Banks |



## | Average ROE and ROA of Domestic Banks |



### Securities and Futures Industry

#### • Business Overview

- » Securities firms' earnings rise: pre-tax surpluses amounted to N\$116.4 billion in 2024, increased by around NT\$40.3 billion from NT\$76.123 billion (increased by 52.98 percent) in 2023. The main reason is that trading volumes and TAIEX increased significantly in 2024, which contributed to the revenues of securities brokerage business and securities dealing business increased.
- » Stable profitability of futures commission merchants: The pre-tax profit of futures commission merchants has continued to grow in recent years. It was NT\$9.379 billion in 2024, up by NT\$2.383 billion or 34.06 percent from NT\$6.996 billion in 2023. The main reason is that the increase in broker transaction volume compared to the previous period and better operating performance of proprietary trading.

- » Stable profitability in the investment trust industry: In recent years, the investment trust industry has demonstrated stable profitability. As of December 2024, the industry's preliminary pre-tax earnings reached NT\$25.758 billion, an increase of NT\$8.661 billion or 50.66 percent compared to NT\$17.097 billion in the same period of 2023. This growth was mainly driven by the expansion in assets under management of securities investment trust enterprises, leading to increased income from fund management fees.

● Important Indicators

Unit: firm

Item	2019	2020	2021	2022	2023	2024
Number of securities services providers						
Securities firms	106	105	105	104	102	102
Branches of securities firms	853	848	849	849	828	828
Brokers	71	70	70	68	67	67
Dealers	75	74	74	74	74	74
Underwriters	58	58	58	59	57	57
Securities investment trust enterprises	39	39	39	38	38	38
Securities investment consulting enterprises	84	85	86	86	87	88
Number of participating futures firms						
Futures firms	15	15	15	15	15	15
Concurrently operated enterprises	26	26	26	25	23	24
Proprietary traders	32	32	32	30	28	29
Brokers	26	26	26	26	25	25
Futures advisory enterprises	31	30	30	33	32	35
Managed futures enterprises	6	6	6	5	5	5
Introducing brokers	47	44	43	42	42	42
Futures trust enterprises	8	8	9	9	8	8

## Indicators of Securities & Futures Market

Unit : firm : NT\$Bn

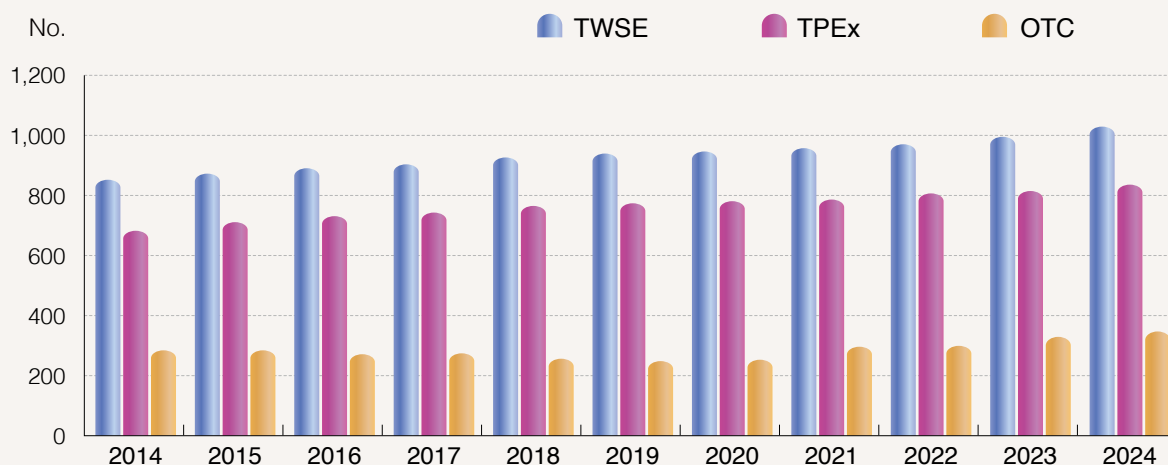
Highlights of Equity Issuance by Public Companies	2019	2020	2021	2022	2023	2024
TWSE listed companies	942	948	959	971	997	1,031
Capital issued	7,155.6	7,238.4	7,385.3	7,499.9	7,638.8	7,820.9
Market value	36,413.5	44,903.8	56,282	44,266	56,842.1	73,898.7
TPEX listed companies	775	782	788	808	816	838
Capital issued	746.7	742.2	760.9	742	757.9	795.5
Market value	3,433.5	4,352	5,782.1	4,424.1	5,792.3	6,536.6
Unlisted companies	677	708	747	785	828	852
Capital issued	1,483.5	1,375.5	1,457.6	1,399.7	1,382	1,357.8
Emerging-stock companies*	248	253	296	299	329	347
Capital issued	161.1	204.5	189.2	219.3	236.4	232.2
Market value	489.9	749.5	1,123.8	905.3	1,037.6	1,383.2

\* The number and capital issued of unlisted companies includes emerging-stock companies.

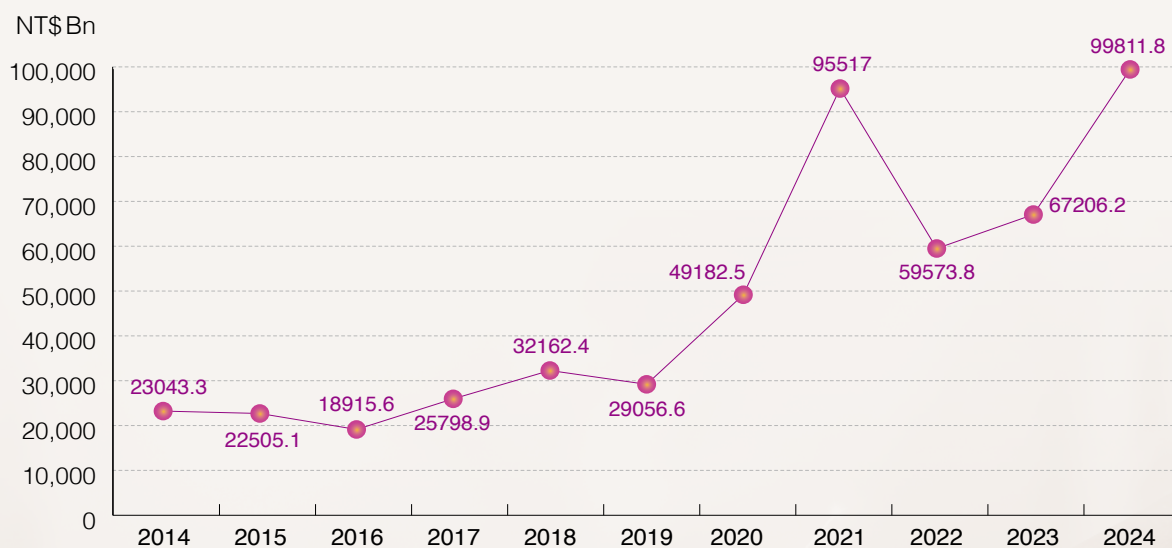
Item	2019	2020	2021	2022	2023	2024
Highlights of securities transactions (NT\$Bn)						
Securities trading value on TWSE	29,056.6	49,182.5	95,517	59,573.8	67,206.2	99,811.8
Stocks	26,464.6	45,654.3	92,290	56,080.6	63,170.3	92,289.0
ETFs	2,080.5	2,838.6	2,454.5	2,938.1	3,454.3	6,724.4
Closed-end funds	0	0	0	0	0	0
Beneficiary securities	10	11.5	5.3	9.4	36.6	5.3
Warrants	497.1	509.2	681.2	531.2	531.6	712.9
TDRs	2.4	163.3	72.5	10.4	9.3	76.9
Convertible corporate bonds	0	0	0	0	0	0
Securities trading value on TPEX	53,284.7	53,263.1	49,874.4	45,199	47,718.6	58,217.6
Stocks	7,607.5	12,087.1	20,276	14,878.7	16,847.4	23,252.4
Warrants	145.4	154.6	177.4	133.7	171.8	
Bonds (including outright and Repos)	44,677.1	40,604.2	29,171.4	29,956.6	29,461.3	31,495.9
Highlights of Taiwan Futures Market Trading** (Lots)						
Futures and options	260,765,482	341,393,346	392,202,371	384,468,497	324,644,847	395,471,441
Futures	90,042,348	139,151,877	194,453,304	183,312,293	148,125,640	201,703,524
Options	170,723,134	202,241,469	197,749,067	201,156,204	176,519,207	193,767,917
Open interest of futures and options	941,097	987,019	1,074,402	952,888	1,135,213	1,136,609
Open interest of futures	328,212	571,617	701,785	584,211	704,505	837,794
Open interest of options	612,885	415,402	372,617	368,667	430,708	298,815
Net Foreign Investments in Listed Shares (NT\$Bn; %)						
Net foreign investments in Taiwan Stock Exchange (TWSE) shares (NT\$Bn)	244.2	-609.1	-450.4	-1089.7	249	-583.7
Trading value ratio of foreign investments in Taiwan Stock Exchange (TWSE) shares (%)	27.66	27.65	24.40	32.63	32.16	35.65
Net foreign investments in Taipei Exchange (TPEX) shares (NT\$Bn)	25.9	9.2	-48.6	-52.9	-71.146	-98.9
Trading value ratio of foreign investments in Taipei Exchange (TPEX) shares (%)	11.78	12.06	17.59	20.80	22.26	24.09

\* According to Article 3 of the "Futures Trading Act," the term "futures trading" shall mean trading in futures contracts, option contracts, futures options contracts, leverage contracts, swap contracts, or other types of contracts, or any combination thereof, deriving from commodities, currencies, securities, interest rates, indices, or other interests, conducted under the regulations or practices set forth by domestic or foreign futures exchanges or other futures markets. The FSC adjusted the above futures trading statistics in its 2012 Annual Report and retroactively applied those same adjustments to 2006.

### | No. of Companies Listed on the TWSE, TPEX, and OTC |



### | Aggregate Trading Volume on Stock Exchanges |





## Insurance industry

### ● Business Overview

- » Growth in premium income: In 2024, the total premium income of the insurance industry amounted to NT\$2,711.5 billion, an increase of NT\$278.8 billion, or 11.5%, compared with the NT\$2,432.7 billion of 2023. Life insurers accounted for NT\$252.2 billion of this growth, primarily driven by sales of investment-linked and dividend policies. Meanwhile, non-life insurers recorded steady growth, with premium income rising by NT\$26.6 billion.
- » Increase in pre-tax profits: In 2024, the insurance industry reported pre-tax profits of NT\$341.5 billion, an increase of NT\$243.4 billion, or 248.1% compared with the NT\$98.1 billion recorded in 2023. Life insurers contributed NT\$315.5 billion to the total, an increase of NT\$234.9 billion or 291.4%, primarily due to higher net investment gains. Non-life insurers recorded pre-tax profits of NT\$26.0 billion, an increase of NT\$8.5 billion, or 48.6%, mainly attributable to improved underwriting performance.
- » Expansion of the asset base: The total assets of the insurance industry increased from NT\$35,379.1 billion at the end of 2023 to NT\$37,431.3 billion at the end of 2024, reflecting a growth of NT\$2,052.2 billion. This expansion was largely driven by strong equity market performance and the appreciation of the US dollar against the New Taiwan dollar, both of which contributed to higher asset valuations.
- » Increase in insurance claims: In 2024, life insurers reported insurance claims totaling NT\$2,709.7 billion, an increase of NT\$304.3 billion from NT\$2,405.4 billion in 2023. This rise was mainly driven by favorable stock market performance and a historically high US dollar, which prompted some policyholders to surrender their policies to realize gains or shift investments, resulting in a higher volume of surrender payouts. Meanwhile, P&C insurance claims totaled NT\$116.4 billion, a decrease of NT\$70.9 billion from the NT\$187.3 billion of 2023, largely due to the high base set in the previous year by COVID-related claim settlements.

### ● Important Indicators

Units: firms; NT\$Bn; %

Item	2019	2020	2021	2022	2023	2024
No. of insurers (based on no. of issued business licenses)	54	53	53	52	52	51
Domestic non-life insurers (incl. cooperatives)	17	17	17	17	17	17
Domestic life insurers	23	23	23	23	23	23
Foreign non-life insurers	7	6	6	6	6	5
Foreign life insurers	4	4	4	3	3	3
Domestic & foreign reinsurers	3	3	3	3	3	3
Overseas branches of domestic insurers	20	19	19	20	20	20
Non-life insurers	8	7	7	8	8	8
Life insurers	12	12	12	12	12	12
Taiwan contact offices of foreign insurers	8	7	7	7	7	7
Non-life insurers	3	3	3	3	3	3
Life insurers	0	0	0	0	0	0
Reinsurers	5	4	4	4	4	4

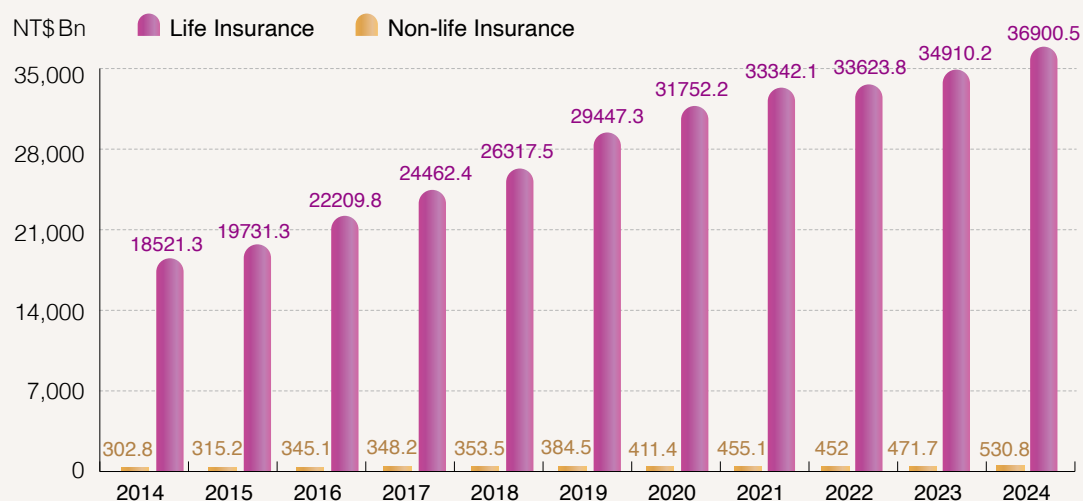
Item	2019	2020	2021	2022	2023	2024
Total assets of all financial institutions (NT\$ Bn)	82,870.1	88,559.8	93,705.6	99,715.8	104,919.3	112,245.3
Total assets of all insurers	29,831.8	32,163.5	33,797.2	34,075.8	35,381.8	37,427.1
Total assets of all non-life insurers	384.5	411.4	455.1	452	471.7	526.7
Total assets of all life insurers	29,447.3	31,752.2	33,342.1	33,623.8	34,910.2	36,900.4
Total assets of insurers as share of total assets of all financial institutions (%)	36.00	36.32	36.07	34.17	33.72	33.34
Total assets of non-life insurers as share of total assets of all financial institutions (%)	0.46	0.46	0.49	0.45	0.45	0.47
Total assets of life insurers as share of total assets of all financial institutions (%)	35.53	35.85	35.58	33.72	33.27	32.87
Total premium income as share of GNI (Note 1) (%)	18.80	16.36	14.30	10.93	9.98	10.25
Premium income (NT\$ Bn)	3,643.8	3,352.1	3,178.5	2,555.6	2,432.7	2,711.5
Premium income of non-life insurers (NT\$ Bn)	177.1	188.1	207.4	221.2	244.8	271.4
Premium income of life insurers (NT\$ Bn)	3,466.7	3,164	2,971.1	2,334.4	2,187.9	2,440.1
Premium income of non-life vs. life insurers	1:19.57	1:16.82	1:14.32	1:10.55	1:8.94	1:8.99
Annual increase in premium income of non-life insurers (%)	6.96	6.20	10.28	6.63	10.65	10.90
Annual increase in premium income of life insurers (%)	-1.28	-8.73	-6.10	-21.43	-6.27	11.53
Annual increase in premium income of foreign non-life insurers (%)	9.99	9.96	9.32	9.61	10.07	9.84
Annual increase in premium income of foreign life insurers (%) (Note 2)	3.51	2.85	4.66	3.87	1.58	2.28
Non-life insurance market concentration ratio (%)	61.41	61.34	61.30	61.51	61.52	61.97
Life insurance market concentration ratio (%)	67.29	68.21	64.60	63.85	63.37	61.74
Insurance losses (NT\$Bn)	2,030.1	1,962.9	2,013.1	2,468.9	2,592.7	2,826.1
Insurance losses on non-life insurers	88	89.9	95	299.6	187.3	116.4
Insurance losses on life insurers	1,942.1	1,873	1,918.1	2,169.3	2,405.4	2,709.7
Insurance density (NT\$)	154,379	142,271	135,979	109,848	103,871	115,879
Non-life insurance density	7,505	7,984	8,875	9,508	10,451	11,600
Life insurance density	146,874	134,287	127,104	100,340	93,421	104,279

Item	2019	2020	2021	2022	2023	2024
Insurance penetration (%)	19.27	16.83	14.67	11.27	10.31	10.61
Non-life insurance penetration (%)	0.94	0.94	0.96	0.98	1.04	1.06
Life insurance penetration (%)	18.33	15.89	13.71	10.29	9.27	9.55
New life insurance contracts (1,000 contracts)	60,471	49,574	44,598	43,034	48,928	48,287
Insured amount of new life insurance contracts (NT\$Bn)	49,263.1	30,675.3	25,351.6	27,404.8	36,292.8	38,215.0
Life insurance contracts in force (individuals) (1,000 contracts)	53,181	53,799	53,913	53,779	53,684	53,392
Insured amount of life insurance contracts in force (individuals) (NT\$Bn)	43,518.5	43,973.6	45,144.8	45,982.9	46,853.8	48,503.6
Take-up rate for life & annuity insurance (%)	256.09	260.49	264.81	266.08	263.53	262.68
Prevalence ratio of life & annuity insurance (%)	301.79	291.14	275.91	268.65	269.75	253.01
Avg. dividend interest rate on life insurance (%)	1.08	0.88	0.81	1.13	1.59	1.72

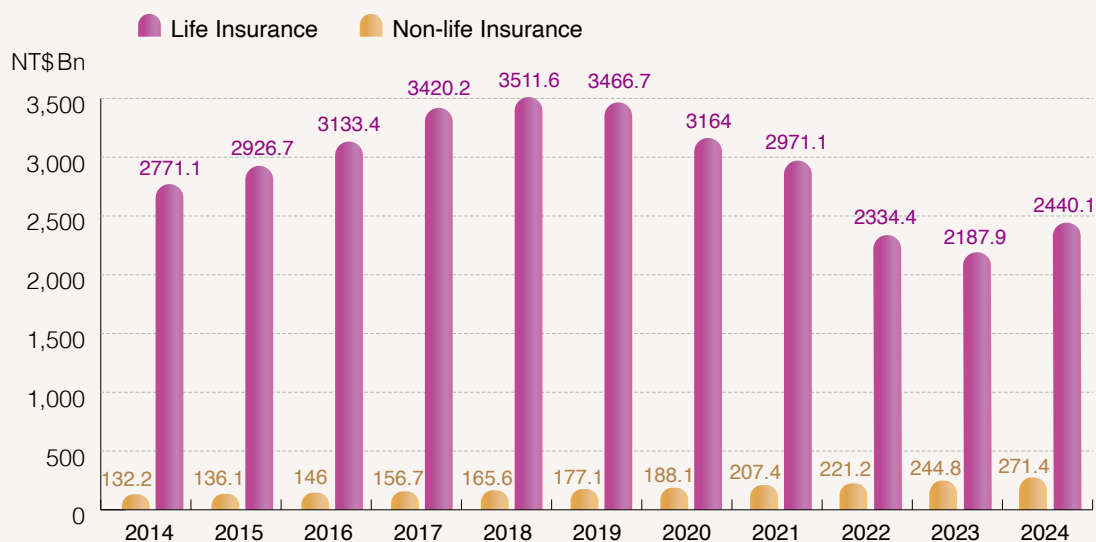
Note 1: Taiwan's Directorate-General of Budget, Accounting and Statistics (DGBAS) switched in 2014 from the term Gross National Product (GNP) to Gross National Income (GNI) for the purpose of international comparison. In coordination with this switch, the item in this table that formerly read "Total premium income as share of GNP" has been reworded to read "Total premium income as share of GNI," and the annual data have been revised accordingly (2014 GNI is a DGBAS estimate).

2: The term "insurance market concentration ratio" is an indicator of the combined premium income of the five largest non-life (or life) insurance enterprises as a percentage the total premium income of the non-life (life) insurance industry as a whole.

## | Insurance Industry Total Assets by Year |



## | Insurance Industry Premium Income by Year |







## Financial Supervisory Commission, Taiwan

### 2024-2025 Annual Report

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## Financial Supervisory Commission

18F., No.7, Sec. 2, Xianmin Blvd., Banqiao Dist., New Taipei City 22041, Taiwan

Tel: 886-2-8968-0899 Fax: 886-2-8969-1215

<http://www.fsc.gov.tw>



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