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《Chinese version please refer to page 1》

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- FSC relaxes restrictions on associated persons working at SITE and SICE concurrently holding positions at the Taiwan-based regional centers of overseas institutions
- FSC issues “Financial Operational Resilience on Cybersecurity Ecosystem Blueprint (FORCE-B)” to strengthen the financial cybersecurity ecosystem and operational resilience
- FSC revises and promulgates Q&A for the second edition of the “Taiwan Sustainable Taxonomy” to help enterprises with transition planning

Policy and Regulations

FSC amends “Regulations Governing Capital Adequacy of Insurance Companies”

In line with the development plan for the Taiwan Insurance Solvency (TIS) regime for the insurance industry, the Financial Supervisory Commission (FSC), after referring to the relevant requirements of the Insurance Capital Standards (ICS) and the Insurance Core Principles (ICP) published by the International Association of Insurance Supervisors (IAIS), drafted amendments to the “Regulations Governing Capital Adequacy of Insurance Companies,” held a public hearing, and, after considering the opinions of all sectors, completed the amendment and promulgation of the regulations. Major amendments include revisions to the components of capital resources and the calculation scope of risk capital, a new provision requiring that the calculation of the capital adequacy ratio be based on individual or separate financial statements, adjustment of the minimum capital adequacy ratio requirement from 200% to 100%, revision to the categorization of the capital adequacy ratio, inclusion of a timeline for insurance companies to report their capital adequacy ratios (unless otherwise stipulated by the competent authority), a new requirement that insurance companies report their Own Risk and Solvency Assessment results to designated entities within a specified period, and a stipulation that the competent authority may take relevant supervisory measures against those with poor implementation performance.

In addition, considering the amendment that the competent authority prescribe the reporting timeline concerning the capital adequacy ratio, an interpretive order for Article 7 of the “Regulations Governing Capital Adequacy of Insurance Companies” was issued. The order stipulates that insurance companies may report the relevant capital adequacy ratio information for the years 2026 to 2028 within three months after the end of each semiannual period and four months after the end of each annual period respectively. In sum, the order grants an additional one-month preparation period.

FSC relaxes restrictions on associated persons working at SITE and SICE concurrently holding positions at the Taiwan-based regional centers of overseas institutions

The FSC is encouraging foreign asset management companies to set up regional centers in Taiwan as part of its efforts to promote Taiwan as an Asian asset management center. Understanding that associated persons working at SITES or SICES may also need to handle business or offer support services to related companies within the same group, the FSC relaxed restrictions on December 30, 2025, to permit associated persons working at SITE and SICE to concurrently hold positions at the regional centers of overseas institutions that have investment relationships with the business or that are controlled by the same parent company and have a group relationship with the business. The change also allows for positions that are primarily held by overseas fund institutions that have established global or regional fund service institutions in Taiwan.

FSC issues “Financial Operational Resilience on Cybersecurity Ecosystem Blueprint (FORCE-B)” to strengthen the financial cybersecurity ecosystem and operational resilience

The FSC has released the FORCE-B to align with national policies such as the National Cybersecurity Strategy 2025 and the National Cybersecurity Development Plan (Phase 7). This will ensure the uninterrupted operation of the financial system by improving the cybersecurity defense capabilities and operational resilience of the financial industry.

The FSC stated that since the release of the Financial Cybersecurity Action Plan in 2020 and the Financial Cybersecurity Action Plan 2.0 in 2022, public-private partnerships have achieved significant results, including the creation of the position of chief information security officer, strengthening the cybersecurity governance capabilities of boards of directors, the establishment of a cybersecurity monitoring and joint defense mechanism, the holding of both offensive and defensive drills, and the creation of a cybersecurity incident response system.

In response to developments in the industry and technological advancements, the FSC engages in a continuing review of the FORCE-B. The document revolves around four axes: targeted governance, holistic protection, a collaborative ecosystem, and robust resilience. It includes 29 specific measures covering strengthening the cybersecurity governance functions and accountability mechanisms of management, enhancing cybersecurity talent training and exchange, encouraging financial institutions to adopt software security development, promoting zero-trust architecture, strengthening cybersecurity monitoring and protection, developing reference guidelines for the protection and testing of AI systems in the financial industry, improving supply chain cybersecurity, and perfecting backup mechanisms. The goal is to build a financial cybersecurity ecosystem that is predictable, defensible, and resilient.

FSC revises and promulgates Q&A for the second edition of the “Taiwan Sustainable Taxonomy” to help enterprises with transition planning

The FSC, in conjunction with the Ministry of Economic Affairs, the Ministry of Environment, the Ministry of Transportation and Communications, the Ministry of the Interior, and the Ministry of Agriculture, released the second edition of the Taiwan Sustainable Taxonomy and an accompanying Q&A in December 2024. To help the financial industry and enterprises more clearly understand and effectively utilize the Taxonomy, the FSC, after gathering feedback from relevant industries and government agencies, released an updated Q&A on December 26, 2025. The key updates in this revision include: (1) specifying that the calculation of revenue proportions from Taxonomy-eligible and Taxonomy-aligned economic activities is to be based on “domestic consolidated revenue”; (2) adding more detailed explanations regarding measurement criteria for economic activities within the construction, real estate, and transportation sectors; and (3) supplementing the methodology for calculating sustainability ratios for the financial industry. To promote the financial industry’s support for the carbon-reduction transition of more industries, the FSC will continue to collect external feedback and cooperate with relevant ministries to develop the third edition of the Taxonomy. This will involve expanding the scope of applicable industries and economic activities while maintaining a rolling review of existing content.

FSC issues order concerning Section 22-4, Paragraph 1, Subparagraph 7 of the Offshore Banking Act

To support the FSC policy of promoting Taiwan as an Asian asset management center, provide the offshore customers of OSUs of securities firms with a greater variety of financing channels, and improve capital utilization efficiency, the FSC issued an order on January 6, 2026, concerning Article 22-4, Paragraph 1, Subparagraph 7 of the Offshore Banking Act to permit OSUs to conduct non-restricted purpose loan business with offshore customers.

FSC announces revisions to the “Regulations Governing the Preparation of Financial Reports by Securities Firms” and the “Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants”

To enhance the comparability of sustainability-related financial information and guide securities firms and futures commission merchants to align with IFRS Sustainability Disclosure Standards, the FSC, in accordance with the Roadmap for Taiwan Listed Companies to Align with IFRS Sustainability Disclosure Standards (hereinafter “the Standards”), revised and promulgated the “Regulations Governing the Preparation of Financial Reports by Securities Firms” and the “Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants” on December 24, 2025. These revisions stipulate that securities firms and futures commission merchants meeting certain conditions must disclose sustainability-related financial information prepared in accordance with the Standards in their annual financial reports, and must submit this information to their board of directors for approval. The revisions highlight key provisions of the Standards, including important preparation principles, core content, and transitional provisions for initial application. On December 26, 2025, the FSC issued an order specifying the “conditions” meant in “securities firms and futures commission merchants meeting certain conditions” as well as the disclosure schedule for Scope 3 greenhouse gas emission information.

FSC amends “Regulations Governing the Preparation of Financial Reports by Insurance Enterprises”

In view of Taiwan’s implementation of International Financial Reporting Standard 17 (IFRS17) on Insurance Contracts in 2026, the FSC has reviewed financial ratio analysis items and formulas for financial reports, with reference to international practices in IFRS 17 adoption, to improve the quality of information disclosure.

FSC amends Article 9 of the “Regulations Governing Ceilings on Credit Extensions by Credit Cooperatives to a Same Person or Same Related Parties”

In response to continued year-on-year growth of unsecured personal loans made by credit cooperatives, to reduce the operational burden on credit cooperatives in implementing the credit limit scope as defined under Article 37 of the Credit Cooperatives Act (which draws on Article 33-3 of the Banking Act), requiring them to submit information on the same party, the FSC considered the suggestion of the National Federation of Credit Cooperatives and amended Article 9 of the “Regulations Governing Ceilings on Credit Extensions by Credit Cooperatives to a Same Person or Same Related Parties”. The amendment raises the amount for what are considered small loans that can be excluded from the credit limit under this standard from NT\$1 million to NT\$2 million. The amendment was promulgated on December 19, 2025.

FSC revises and promulgates “Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies”

To align with digitalization trends, improve the efficiency of filings for share repurchases, and reduce the costs of paper-based submissions, the FSC revised and promulgated the “Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies” January 22, 2026. The amendments change the filing method for share repurchases by exchange-listed and OTC-listed companies from paper to electronic filing. To provide a buffer period for TWSE- and TPEx-listed companies to prepare to implement the electronic filing system, the amendments will not come into force until May 1, 2026.

FSC amends “Directions for Life Insurance Enterprises to Engage in Participating Life Insurance Business”

In line with the implementation of International Financial Reporting Standard 17 (IFRS17) on Insurance Contracts, the FSC amended the

“Directions for Life Insurance Enterprises to Engage in Participating Life Insurance Business” on December 17, 2025. The amendments adjust terminology, including “distributable dividends” and “annual surplus,” to facilitate the smooth transition of participating life insurance business operations.

FSC amends “Directions for Insurance Enterprises, Insurance Agent Companies, and Insurance Broker Companies Engaging in Telemarketing Business”

To facilitate policy receipt and acknowledgment for policyholders who purchase insurance policies via telephone marketing, the FSC revised the “Directions for Insurance Enterprises, Insurance Agent Companies, and Insurance Broker Companies Engaging in Telemarketing Business” on December 17, 2025. The revision adds provisions to the operational procedures, providing policyholders with electronic policies via telephone marketing and permitting the electronic online signing of such policies.

FSC promulgates “Regulations Governing Internal Operating Systems and Procedures for the Outsourcing of Insurance Enterprise Operations”

To strengthen the legal framework for insurance supervision, Article 148-3 and Article 171-1 of the Insurance Act were revised and promulgated by the President on June 18, 2025. This change authorizes the FSC to stipulate regulations concerning the outsourcing of operations by insurance enterprises and to impose penalties on insurance enterprises for outsourcing deficiencies.

In response, the FSC drafted the “Regulations Governing Internal Operating Systems and Procedures for the Outsourcing of Insurance Enterprise Operations” (hereinafter referred to as the Regulations). These Regulations will replace the existing “Directions for Outsourcing Operations by Insurance Enterprises.” The Regulations were promulgated on December 31, 2025. This action raises the legal status of the outsourcing rules from administrative rules to regulatory orders, which will help to ensure the quality of outsourced work, protect customer rights, reduce the risks to insurance enterprises and enhance the regulatory transparency.

FSC amends “Required Qualifications for ‘Foreign Specialist Professionals with Specific Financial Expertise’ and Principles for Recognition of Qualifications” to facilitate Taiwan’s financial industry in recruiting asset management professionals

In response to developmental trends within the finance industry and the government’s policy of seeking out foreign talent to spur the development of the domestic finance industry, the FSC drafted and published the “Required Qualifications for ‘Foreign Specialist Professionals with Specific Financial Expertise’ and Principles for Recognition of Qualifications,” (hereinafter “the Principles”) on February 8, 2018, in line with the Act for the Recruitment and Employment of Foreign Professionals. The Principles were revised on December 15, 2020, to promote use of the Employment Gold Card in the field of finance.

Taking into consideration the government’s key policy of promoting Taiwan as an Asian asset management center, the FSC has revised Point 5 of the Principles to expressly include asset management (including multi-family offices) in the list of key industries. The revision was formally announced and took effect on December 29, 2025. This change will help the domestic finance industry recruit talented foreign specialist professionals in the field of asset management.

Industry Updates

FSC holds 2025 Life Insurance Industry Leaders Liaison Meeting and Award Ceremony

The FSC hosted the “2025 Life Insurance Industry Leaders Liaison Meeting and Award Ceremony” on December 12, 2025. At the event, FSC Chairperson Jin-lung Peng delivered opening remarks

and presented awards to life insurance companies demonstrating outstanding performance in promoting insurance business aligned with government policies.

The FSC also urged life insurers to continue supporting and implementing key policy measures adopted recently, specifically:

1. Applying for business pilot programs and providing diverse, innovative services to meet the insurance protection needs of various customer segments.
2. Channeling funds into domestic infrastructure to realize the vision of a “Balanced Taiwan,” assisting domestic industrial development, and giving back to society.
3. Enhancing financial services for all age groups, building a fraud prevention safety net, and continuously strengthening anti-fraud and other consumer protection measures.
4. Promoting asset and liability management by simultaneously adjusting and managing assets, liabilities, and equity to ensure financial soundness.

FSC approves Bank SinoPac Co., Ltd. to establish a representative office in Bangkok

On January 6, 2026, the FSC approved Bank SinoPac to apply to the competent authority of Thailand for the establishment of a representative office in Bangkok. The bank plans to establish the office to better understand market trends in New Southbound Policy markets, deepen its cooperation with local financial institutions and businesses, and support expansion by Taiwan’s businesses.

NPLs at domestic banks as of the end of December 2025

Unit: NT\$1 billion / percentage points

	End of Dec. 2025	End of Nov. 2025	Increase/Decrease
Total outstanding loans	44,821	44,479	Increased by 342 billion
NPL ratio	0.15%	0.16%	Decreased by 0.01 percentage points
Coverage Ratio	917.43%	855.48%	Increased by 61.95 percentage points

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

NPLs at credit cooperatives as of the end of December 2025

Unit: NT\$1 billion / percentage points

	End of Dec. 2025	End of Nov. 2025	Increase/Decrease
NPLs	0.57	0.82	Decreased by NT\$ 0.25 billion
NPL ratio	0.08%	0.12%	Decreased by 0.04 percentage points
Coverage Ratio	2,899.38%	1,990.98%	Increased by 908.4 percentage points

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

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

1. Net foreign and mainland China investment in listed shares

Unit: NT\$1 billion

Through end December 2025		TWSE-listed shares	TPEx-listed shares
Foreign Investors	Bought	34,597.92	6,391.18
	Sold	35,074.33	6,389.17
	Net bought (sold)	(476.41)	2.01

Mainland China investors	Bought	6.63	0.54
	Sold	6.63	0.58
	Net bought (sold)	0.00	(0.04)
Total		(476.40)	1.97

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

Unit: US\$1 billion

	End Dec. 2025	End Nov. 2025	Increase (Decrease)
Cumulative net (outward) inward remittances from offshore foreign institutional investors and foreign individual investors	320.09	315.69	4.40
Cumulative net (outward) inward remittances from mainland China investors	0.07	0.07	0.00
Total	320.16	315.76	4.40

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

Unit: NT\$1 billion

	End Oct. 2025	End Oct. 2024	Increase (Decrease)
Investment-linked insurance	56.08	38.42	46%
Traditional life insurance	284.37	201.39	41%
New-policy premium income (total)	340.45	239.81	42%

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

1. Pre-tax profit of insurance enterprises

Unit: NT\$1 billion

	End Nov. 2025	End Nov. 2024	Growth rate (%)
Pre-tax profit of life insurance enterprises	180.1	326.3	-44.8%
Pre-tax profit of non-life insurance enterprises	33.7	25.0	34.8%
Pre-tax profit of all insurance enterprises (total)	213.8	351.3	-39.1%

2. Owners' equity of insurance enterprises

Unit: NT\$1 billion

	End Nov. 2025	End Nov. 2024	Growth Rate (%)
Owners' equity of life insurance enterprises	2,809.9	2630.7	6.8%
Owners' equity of non-life insurance enterprises	170.4	149.9	13.7%
Owners' equity of insurance enterprises (total)	2,980.3	2,780.6	7.2%

3. As of the end of November 2025, the NT Dollar had appreciated by 4.37% against the US Dollar since the end of 2024, and the cumulative balance of foreign exchange valuation reserve of life insurance enterprises was NT\$513.8 billion, increasing by NT\$294.2 billion. Meanwhile, the combined impact of exchange gains/losses, hedging gains/losses, and the net effect of volatility on the foreign exchange valuation reserve of life insurance enterprises was NT\$-704.8 billion. Over the same period, the overseas investments of life insurers resulted in net gains (including exchange gains/losses and hedging gains/losses, but not including the net effect of volatility on the foreign exchange valuation reserve) of NT\$435.4 billion.

Investor and Consumer Protection

2025 Financial Literacy Campaign for the Campus and Community

The FSC's 2025 Financial Literacy Campaign for Campuses and Communities held a total of 802 activities from January through December all over Taiwan attended by 55,990 people. The free program has proven popular since its inception in 2006. As of the end of 2025, a total of 10,053 events had been held and over 1.3 million people had attended. The target participants include students at all levels, communities, women's groups, indigenous people, immigrants, military personnel, correctional institutions, social welfare groups, senior citizens' groups, police, firefighters, coast guard personnel, and taxi drivers.

The FSC Banking Bureau will continue to hold continuing education on financial literacy in 2026. Interested schools or groups can apply online or call (02) 8968-9711.

FSC issues warning on fraud

Recently, there have been fraud cases in which individuals have impersonated FSC and Banking Bureau personnel. The FSC reminds the public that such scams often involve impersonating government officials or using fraudulent agency documents. Remembering the "three won'ts" can help to prevent falling victim: The FSC won't contact you about your account, it won't try to restrict or freeze your account, and it won't ask you to pay any fees, such as certification fees or security deposits. Thanks to the efforts of personnel at financial institutions, more than NT\$29 billion in fraudulent funds were successfully intercepted between 2023 and 2025. The FSC urges the public to remain vigilant, to call the 165 anti-fraud hotline if they receive suspicious messages, and never to transfer money or provide account information in response to received instructions.

Personnel Changes

The position of Chief Secretary of the FSC has been filled by Financial Examination Bureau Deputy Director Shang Kuang-chi

Following the retirement of FSC Chief Secretary Lin Chih-chi on December 31, 2025, the position of FSC Chief Secretary was filled by Financial Examination Bureau Deputy Director General Shang Kuang-chi. The appointment was approved by the Executive Yuan on December 30, 2025, and took effect on December 31, 2025. Ms. Shang's vacated position as FEB Deputy Director General was filled by Ku Kun-jung, who was transferred from his former position as Chief Secretary of the Insurance Bureau, on January 19, 2026.

Major Penalties

FSC penalizes Shanghai Commercial & Savings Bank for deficiencies in misconduct management following embezzlement by a former employee

A former employee of the Shanghai Commercial & Savings Bank embezzled funds, and the misconduct management measures of the bank were found to be in violation of Paragraph 1 of Article 45-1 of the Banking Act as well as Paragraph 1 of Article 3 and Paragraphs 1 and 3 of Article 8 of the "Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries" authorized under that same act. As a result, the FSC imposed a fine of NT\$12 million on the bank in accordance with Paragraph 7 of Article 129 of the Banking Act.

Taiwan Cooperative Bank penalized for regulatory violations

Following the theft of funds during the off-site collection of cash at National Taiwan University Hospital by an employee of the National Taiwan University branch of Taiwan Cooperative Bank, the bank was found to be in violation of Paragraph 1 of Article 45-1 of the Banking Act, as well as Paragraph 1 of Article 3 and Paragraphs 1 and 3 of Article 8 of the "Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries" authorized under that same act. As a result, the FSC imposed a fine of NT\$6 million on the bank in accordance with Paragraph 7 of Article 129 of the Banking Act.