

# 金融展望月刊

## Financial Outlook Monthly

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\*The Chinese version rules if  
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- Executive Yuan reaches consensus on trust durations and taxation principles for legacy trusts following cross-ministerial negotiations
- FSC announces 2026 measures for financial institutions to establish additional domestic branches
- FSC establishes plan to encourage insurers to invest in the Five Trusted Industry Sectors, Six Core Strategic Industries, basic infrastructure, public investment, long-term care industries, and sustainable development bonds to guide insurer capital into domestic real-world industries
- FSC issues order concerning the limitation on securities investment trust fund enterprise holdings of the shares of any single listed company outlined in Paragraph 1 of Article 10 of the “Regulations Governing Securities Investment Trust Funds”

### Policy and Regulations

#### *Executive Yuan reaches consensus on trust durations and taxation principles for legacy trusts following cross-ministerial negotiations*

To address the issue of the tax treatment of family trusts, which has generated a great deal of attention, the Executive Yuan convened a meeting of the Ministry of Finance, the Ministry of Justice, and the FSC. Meeting participants reached consensus on allowing the duration of successive beneficiary trusts to extend up to 100 years, as well as on taxation principles. Based on a resolution adopted at the meeting, the Ministry of Finance is to issue an interpretation of the taxation principles for successive beneficiary trusts to provide clear compliance guidelines for trust enterprises, taxpayers, and the tax authorities. This will spur the development of family office and asset management businesses, establishing Taiwan as an Asian asset management center.

#### *FSC announces 2026 measures for financial institutions to establish additional domestic branches*

Pursuant to Article 5 of the “Regulations Governing Domestic Branches of Financial Institutions,” banks and credit cooperatives meeting financial and business indicators may apply to the FSC every year in May and November to establish additional branches. The average before-tax return on equity (ROE) in the three years prior to application for 2026 (based on 2023 to 2025) required is 10.53%. In addition, pursuant to amendments to Article 3 of the Regulations promulgated in February 2026, a financial institution that fails to meet only the above-mentioned ROE requirement, while satisfying all other financial and business indicators, may still apply to establish one additional branch each year.

To encourage financial institutions to participate in public welfare activities and promote policies, the FSC will continue to list the following nine items as favorable criteria for financial institutions applying to establish additional branches in 2026: public welfare and charity work, financial education, financial crime prevention, growth in lending to SMEs, approval of loans to women-owned SMEs, employment of persons with disabilities, promotion of barrier-free financial services (including accessible online banking and online ATM functions and installation of accessible ATMs), acceptance of deposits from savings cooperatives, and collaboration with organizations dedicated to social innovation.

#### *FSC establishes plan to encourage insurers to invest in the Five Trusted Industry Sectors, Six Core Strategic Industries, basic infrastructure, public investment, long-term care industries, and sustainable development bonds to guide insurer capital into domestic real-world industries*

In support of the government’s effort to cultivate the Five Trusted Industry Sectors and guide insurers’ funds into domestic industries as well as major infrastructure projects to further the development of domestic industries, the FSC established a Plan to Encourage Investment by Insurance Companies in the Five Trusted Industry Sectors, Six Core Strategic Industries, Infrastructure, Public Investment, Long-term Care/Elderly Care, and Sustainable Development Bonds on April 14, 2026. The Plan will encourage insurers to evaluate and invest in real-world industries such as the Five Trusted Industry Sectors, public investment,

basic infrastructure, long-term and elderly healthcare, while balancing policyholders' rights and investment risk. The Plan will be implemented from April 1, 2026, through December 31, 2028, in three phases. The cumulative investment target will be NT\$300 billion. In each phase, companies having outstanding investment performance will be selected and awarded prizes in line with performance evaluation methods stipulated in the Plan. The list of award winners will be published on the FSC website.

***FSC issues order concerning the limitation on securities investment trust fund enterprise holdings of the shares of any single listed company outlined in Paragraph 1 of Article 10 of the "Regulations Governing Securities Investment Trust Funds"***

The FSC announced revisions to Paragraph 1 of Article 10 of the "Regulations Governing Securities Investment Trust Funds" on April 24, 2026. The amendment relaxes the restriction that securities investment trust enterprises may not invest more than 10 percent of a fund's net asset value in a single stock. This regulation applies to equity funds and actively managed ETFs investing only in domestic equities. Funds whose investment in any listed company's stock whose weighting in the Taiwan Stock Exchange Capitalization Weighted Stock Index (TAIEX) exceeds 10% are exempted from the 10 percent restriction stipulated in Subparagraphs 8 and 17 of Paragraph 1 of Article 10 of the aforementioned Regulations. However, investment in a single stock may not exceed the weighting of that stock in the TAIEX, and the total amount of investment in such stock—including corporate or financial bonds—shall not exceed 25 percent of the fund's net asset value.

***FSC amends "Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants" and "Regulations Governing the Preparation of Financial Reports by Securities Firms"***

As Taiwan prepares to implement IFRS 18 "Presentation and Disclosure in Financial Statements" starting in fiscal year 2028, the FSC announced amendments to the "Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants" and "Regulations Governing the Preparation of Financial Reports by Securities Firms" on April 27 and 28, respectively. Key amendments include (1) mandating that income and expenses be listed in categories such as operating, investing, financing, income tax, or discontinued operations on statements of comprehensive income; (2) Futures and securities firms are to assess whether they have specific principal operating activities so as to necessitate classifying income and expenses appropriately; (3) adding or deleting certain items, and adding disclosures related to performance measurement as defined by management.

Furthermore, on April 29 and 30, the FSC issued orders concerning the format of financial reports to be used by futures and securities firms, adjusting the statement of comprehensive income, balance sheet, cash flow statement, and significant accounting details to help these enterprises come into line with IFRS 18 regulations.

***FSC revises "Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries"***

The FSC revised and promulgated "Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries" on May 6, 2026. Key amendments include reinforcing mutual cooperation among the three levels of internal control; improving and simplifying self-audit systems, enhancing the operational efficiency of the legal compliance system; strengthening operational resilience and risk management systems, enhancing management of sustainable data and improving disclosure, improving cybersecurity, ensuring the independence of the chief auditor and enhancing the importance attached to internal audit units, and incorporating the FSC's supervisory priorities into internal control systems and related policies, procedures, and operational handbooks.

***FSC amends "Regulations Governing Types and Amount Limits of the Securities in Which a Commercial Bank May Invest"***

To ensure the consistent management of interested parties

under the Banking Act and to integrate related directions and interpretations to facilitate banks' compliance, the FSC amended the "Regulations Governing Types and Amount Limits of the Securities in Which a Commercial Bank May Invest" on April 22, 2026. Key amendments include: (1) adding foreign-currency-denominated Islamic fixed-income securities (Sukuk) and exchange traded notes (ETNs) as securities banks are permitted to invest in, and setting investment limits on such investments; (2) stipulating that a bank may include in its calculation basis for investment limits any increase in net worth resulting from a merger during the fiscal year; and (3) adding an exemption whereby investment restrictions applicable to interested parties do not apply when the government acts as a director or supervisor of the security issuer.

***FSC revises Articles 3 and 13 of the "Regulations Governing Internal Operating Systems and Procedures for the Outsourcing of Financial Institution Operation"***

To enhance the operational efficiency and business flexibility of financial institutions in Taiwan, and with reference to international practices, the FSC amended Articles 3 and 13 of the "Regulations Governing Internal Operating Systems and Procedures for the Outsourcing of Financial Institution Operation" on April 13, 2026. Key amendments clarified that trade finance operations—including the review of letters of credit—may also be outsourced by financial institutions. However, the outsourced service provider must be a company within the same corporate group.

***FSC amends Point 9 of the "Directions for Futures Trading by Overseas Chinese and Foreign Nationals"***

To bolster the competitiveness of the nation's futures markets, the FSC amended the "Directions for Futures Trading by Overseas Chinese and Foreign Nationals" on April 30, 2026, by adding Paragraph 3 to Point 9. Under the amendment, offshore overseas Chinese and foreign nationals may enter into agreements with futures commission merchants to use their offshore deposit accounts for futures trading deposits and withdrawals, without the need to process such transactions through segregated foreign exchange deposit accounts for futures trading opened by custodian institutions. This amendment allows funds to be remitted directly in and out, thereby simplifying operational procedures, improving fund utilization efficiency, and enhancing convenience for foreign investors participating in Taiwan's futures market.

***FSC amends "Directions for Insurance Enterprises Engaging in Electronic Commerce Business" to enhance convenience of insurance services and spur digitalization of insurance"***

The FSC amended the "Directions for Insurance Enterprises Engaging in Electronic Commerce Business" on April 30, 2026. Key amendments include changing online insurance service items to be a negative list; allowing individuals to handle online insurance services themselves for self-funded group insurance policies; increasing the maximum insured amount for travel accident insurance add-on clauses; permitting businesses that underwent trials and achieved expected benefits to be handled in accordance with self-regulatory rules; easing the requirements for digital insurers to obtain certifications; and enhancing identity verification procedures.

***FSC amends "Regulations Governing Investment of Investment-linked Insurance" and "Directions for Separate Account Custodian Institutions and Investment Instruments of Investment-linked Insurance" to ensure the soundness of investment targets in investment-linked insurance and to meet practical operational needs"***

The FSC amended both the "Regulations Governing Investment of Investment-linked Insurance" and the "Directions for Separate Account Custodian Institutions and Investment Instruments of Investment-linked Insurance" on April 29, 2026. Key amendments include:

1. In consideration of the difference in risk between total loss-absorbing capacity (TLAC) bonds and regular bonds, securities firms and trust companies are presently prohibited from accepting mandates from non-professional investors to invest in TLAC bonds. To ensure consistency in regulations across industries, Item 7 of the "Directions for Separate Account Custodian

Institutions and Investment Instruments of Investment-linked Insurance” has been amended to expressly prohibit TLAC bonds from being included in investment targets for investment-linked insurance. To protect the rights and interests of policyholders, and to prevent individuals from taking on higher credit risk, in addition to the already covered bond funds, actively managed exchange-traded funds seeking to invest in non-investment grade bonds and emerging market bonds, as well as domestic and foreign exchange-traded funds and index funds, are now included in the quota controls found in Item 8-2 of the “Directions for Separate Account Custodian Institutions and Investment Instruments of Investment-linked Insurance,” with the quota ratio remaining unchanged.

2. In accordance with Article 10 of the Securities Investment Trust and Consulting Act, domestic securities investment trusts must be approved by or filed with the supervisory authority before funds (including index equity funds traded on the domestic securities market) may be raised or issued. As such, the reference to exchange-traded funds traded on domestic securities markets in the proviso to Paragraph 1 of Article 14 of the “Regulations Governing Investment of Investment-linked Insurance” has been deleted to conform to practical operational needs.

The FSC reminds related parties that the value of underlying assets linked to investment-linked insurance constitutes one portion of insurance payouts. Investment-linked insurance assets should prioritize long-term stability and insurance companies should fulfill fiduciary duties in selecting investment-linked insurance assets carefully, such that their products are both suitable and in compliance with related laws and regulations, as this will ensure the soundness of the insurance market and protect policyholders’ rights and interests.

### ***FSC promotes measures improving convenience for the public, simplifying operational procedures concerning insurance***

The FSC amended Articles 6 and 7 of the “Regulations Governing Business Solicitation, Policy Underwriting, and Claims Adjusting of Insurance Enterprises” as well as Points 6, 11, 14, and 16 of the “Directions for Sale of Investment-linked Insurance Products” on April 21, 2026. These amendments aim at streamlining the insurance application process, bolstering operational efficiency across the industry, and reinforcing consumer protection. Key amendments include allowing companies to tailor their own customer protection frameworks, explicitly prohibiting insurance agents from inducing policyholders to fund insurance policies through loans, and refining the verification process and telephone interviews for the source of insurance funds. The FSC urges insurers to adopt more detailed, differentiated standards when identifying vulnerable consumers. By implementing appropriate protective measures, insurers are expected to truly embody a customer-centric philosophy, enhance safeguards for vulnerable consumers, eradicate improper solicitation, and uphold market discipline.

### ***FSC amends regulations to enhance convenience for bancassurance and optimize customer care call procedures***

To promote digital financial services and enhance the convenience of purchasing insurance through banks while also optimizing insurers’ customer care phone calls for bancassurance cases, the FSC revised Point 11-2 of the “Directions for Banks, Insurance Companies, Insurance Agents, or Insurance Brokers Engaging in Bancassurance Business” on April 20, 2026. The amendments allow customer care call procedures to be conducted in person, via videoconference, remotely, or through other methods approved by the competent authority. Furthermore, for cases where telephone contact is unsuccessful or declined, digital notification methods—including SMS, email, or mobile app push notifications—may be adopted to stand in for the requirement to send reminders via registered mail. The FSC has also optimized procedures for insurers performing customer care calls on bancassurance cases and hopes that insurers will internalize fair treatment of customers as a core aspect of their corporate culture, meet policyholder needs, and ensure product suitability so as to reduce financial consumer disputes.

## ***Investor and Consumer Protection***

### ***2026 Financial Literacy Campaign for the Campus and Community***

The FSC’s 2026 Financial Literacy Campaign for Campuses and Communities held a total of 353 activities from January through May at Kangle Elementary School, schools, and other organizations in Hualien County that were attended by 22,158 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) 8968-9712.

## ***Industry Updates***

### ***FSC joins the Ministry of Environment’s “Rebag& Box Circulation Platform,” encourages all sectors to promote recycling***

As part of efforts to encourage resource circulation and reduce plastic use, Minister of Environment Peng Chi-ming visited FSC Chairperson Peng Jin-lung on April 15, 2026. The two exchanged views on the Ministry’s “Rebag& Box Circulation Platform” program to recirculate secondhand bags. The FSC has set up a bag collection point and has encouraged financial institutions, listed companies, and related peripheral institutions to take part in the program, thus transforming unused bags into circulating resources through supply-and-demand matching, so that bags can be reused for free by vendors and members of the public. This measure reduces reliance on plastic bags. With interministerial and public-private cooperation, it is hoped that people will develop the habit of bringing their own bags and reusing old ones as a move toward sustainable development. For details, please visit [https://sup.moenv.gov.tw/en/page/en\\_rebag](https://sup.moenv.gov.tw/en/page/en_rebag).

### ***Fintech Taipei 2026 to be held on October 23-24***

Fintech Taipei 2026 will be held at the Taipei World Trade Center on October 23-24, 2026. The organizers, the Taiwan Financial Services Roundtable and the Taiwan Academy of Banking and Finance, will invite financial institutions and fintech companies to exhibit and showcase Taiwan’s achievements in fintech development. Domestic and foreign scholars and experts will also be on hand to take part in various forums, thus promoting international exchanges and interactions.

### ***FORCE 2026 Financial Cybersecurity Conference concludes successfully***

The FSC hosted FORCE 2026 from April 15-20, 2026. Over 800 participants from 162 financial organizations attended the event, showcasing the collective determination of the financial sector to improve its cybersecurity resilience.

The FSC stated that cybersecurity is not merely a technical issue for the financial sector, but rather a critical matter affecting financial stability and public trust. The FSC released the Financial Cybersecurity Resilience Development Roadmap at the end of 2025 to ensure outcome-oriented, resilient governance that is predictable, defensible, and recoverable. It encouraged financial organizations to incorporate joint defense mechanisms into their daily operations and to make early preparations for emerging risks such as post-quantum cryptography and AI application security.

Experts at the conference pointed out that it was necessary to continue to work through the Financial Information Sharing and Analysis Center (F-ISAC) platform to enhance cyber threat intelligence sharing and joint defense mechanisms, personnel training, and cooperation with external partners so as to create a solid, resilient financial information security ecosystem.

Through practical experience sharing, keynote speeches, and cyber defense exercises, the event enhanced the capabilities of cybersecurity personnel at financial institutions. Participants also reached consensus on the following:

1. The FSC and F-ISAC will jointly develop a cybersecurity maturity assessment framework.
2. Financial institutions will strengthen cybersecurity risk quantification and regularly report the results to their boards of directors.

The FSC said that it would continue to refine its cybersecurity policies and collaborate with financial institutions and relevant stakeholders to jointly build a safe, trustworthy, and sustainably innovative financial ecosystem.

### **FSC approves Mega International Commercial Bank to apply to establish a Gujarat International Finance Tec-City (GIFT City) branch in India**

The FSC approved Mega International Commercial Bank's request to apply with the Indian authorities to establish a branch in GIFT City on April 14, 2026. Mega International Commercial Bank plans to set up a GIFT City branch in consideration of India's vast market and large population, as well as the incentive programs championed by the government of India, thereby strengthening its presence and competitiveness in the South Asian market.

Taiwan's banks with a presence in India include CTBC Bank with three branches, as well as Mega International Commercial Bank and Bank of Taiwan, each with one representative office.

### **FSC approves E.SUN Commercial Bank to apply to establish a Dallas branch in the United States**

E.SUN Commercial Bank received FSC approval to establish a representative office in Dallas, the United States, on October 17, 2024. In view of the rapid economic expansion of Texas in recent years, which has attracted numerous large enterprises to establish a presence and multiple Taiwanese companies to set up factories, E.SUN Commercial Bank plans to upgrade its representative office to a branch so as to expand its presence and build a comprehensive financial services platform for the North American market.

Taiwan's banks have set up 25 branches, three subsidiaries, and five representative offices in the United States, including two branches and two representative offices in Texas.

### **Sales of spillover-effect insurance products and provision of in-kind benefits by life insurers through the first quarter of 2026**

As of the first quarter of 2026, the performance of life insurers in selling spillover-effect insurance products and providing in-kind benefits was as follows:

1. The FSC has approved or accepted registrations for 316 spillover-effect insurance products from 15 life insurance companies. In total, 363,831 new contracts for such products had been sold as of the first quarter of 2026, up by 44 percent from 253,136 compared to the first quarter of 2025. First-year premium income was NT\$24.3151 billion, up by 119 percent from NT\$11.09103 billion compared to the first quarter of 2025.
2. The FSC has approved or accepted registrations of 52 in-kind payment insurance products from seven life insurance companies. In total, 114,963 new contracts for such products have been sold as of the first quarter of 2026, down by 7 percent from 123,515 compared to the first quarter of 2025. First-year premium income was NT\$127.84 million, down by 56 percent from NT\$290.85 million compared to the first quarter of 2025.

The FSC will continue to encourage insurers to develop health management insurance products and in-kind benefit insurance products with spillover effects to increase public awareness of the need for health management and to meet policyholders' insurance protection needs.

### **NPLs at domestic banks as of the end of April 2026**

Unit: NT\$1 billion / percentage points

	End Apr. 2026	End Mar. 2026	Increase/Decrease
Total outstanding loans	46,925	46,580	Increased by 346 billion
NPL ratio	0.15%	0.15%	-
Coverage Ratio	912.62%	900.67%	Increased by 11.95 percentage points

As of the end of April 2026, there were 38 domestic banks in Taiwan, and their asset quality continuously remained manageable as seen in the above figures. The FSC will require banks to undertake measures to improve their asset quality and financial structure on an ongoing basis.

### **NPLs at credit cooperatives as of the end of April 2026**

Unit: NT\$1 billion / percentage points

	End Apr. 2026	End Mar. 2026	Increase/Decrease
NPLs	0.83	0.73	Increased by NT\$ 0.10 billion
NPL ratio	0.12%	0.11%	Increased by 0.01 percentage points
Coverage Ratio	2,037.97%	2,305.78%	Decreased by 267.81 percentage points

As of the end of April 2026, 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 April 2026		TWSE-listed shares	TPEX-listed shares
Foreign Investors	Bought	21,688.71	4293.36
	Sold	22,212.40	4269.32
	Net bought (sold)	(523.69)	24.04
Mainland China investors	Bought	5.46	0.66
	Sold	3.08	1.12
	Net bought (sold)	2.38	(0.46)
Total		(521.31)	23.58

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

Unit: US\$1 billion

	End April 2026	End March 2026	Increase (Decrease)
Cumulative net (outward) inward remittances from offshore foreign institutional investors and foreign individual investors	364.29	337.88	26.41
Cumulative net (outward) inward remittances from mainland China investors	0.15	0.14	0.01
Total	364.43	338.01	26.42

### **Sales statistics of foreign-currency-denominated products by life insurance industry as of the end of February 2026**

Unit: NT\$1 billion

	End Feb. 2026	End Feb. 2025	Increase (Decrease)
Investment-linked insurance	15.78	9.42	67%
Traditional life insurance	87.98	57.93	52%
New-policy premium income (total)	103.75	67.35	54%