FSC

Financial Supervisory Commission, Taiwan

2025-2026 Annual Report



Financial Supervisory Commission, Taiwan

2025-2026 Annual Report



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Chairperson's Statement

In 2025, the global economy continued to transform rapidly. Geopolitical tensions rose, policy changes affected major currencies, and technological innovation proceeded at a breathtaking pace. All these factors held sway over financial markets and capital flow. The accelerated development of new technologies like AI and digital finance, meanwhile, created new opportunities for innovation regarding both financial services and industries' transformations, and spurred a digital transition within the financial sector. At the same time, the risks posed by climate change, the need for a sustainable transition, and international regulations continued to shape the progress of the financial market. Information security, operational resilience, and risk management became increasingly important, which in turn created a raft of complex challenges for financial supervision.

As the domestic and international landscape continues to change, the Financial Supervisory Commission (FSC) remains committed to its core missions of maintaining financial stability, encouraging market development, and upholding consumers' rights and interests. It also seeks to realize the policy goal of balancing both security and development, while continuing to promote a refined financial management system that encourages both innovation and risk management. Over the past year, the FSC has enhanced the resilience and risk tolerance of the financial system. This has ensured that the financial market has been able to operate in a stable fashion. It has promoted Taiwan as an Asian asset management center and enhanced the asset management sector's competitiveness. It has guided funds into national infrastructure projects and industrial development; encouraged the innovative use of fintech; improved financial information security and operational resilience; furthered the advancement of green and transitional finance; and encouraged financial inclusion while strengthening financial consumer protections. The FSC has also guided the financial industry to fulfill its social responsibility, which will help to ensure the sustainable development not only of the financial industry, but of society as a whole.

The key policies and supervisory measures taken up by the FSC in 2025 are as follows:

1. Enhancing capital resilience and risk management in the financial sector

Addressing global financial market volatility and emerging risks, the FSC moved forward with efforts to strengthen the capital resilience and risk management capabilities of the financial



sector, promote the alignment of the banking industry with Basel III reforms, and scrutinize the risk-bearing capacity of financial institutions through stress testing. In the insurance sector, the FSC continued to assist the industry to align with the next-generation Taiwan insurance solvency (TIS) system as well as IFRS 17; enhance the asset-liability management, capital resilience, and sustainable operation capabilities of the life insurance industry; help operators with ensuring a sound transformation; and improve risk management standards.

Aside from this, the FSC continued to refine financial inspection and internal control mechanisms and develop supervisory technology to enhance the effectiveness of supervision as well as financial market resilience, to maintain the stable operation of the financial system, and to promote the sound development of the financial market.

2. Building an Asian asset management center with Taiwanese characteristics

Since the launch of the Asian asset management center policy, the FSC has adhered to the core principle of retaining capital and attracting investment to support industrial development. Through regulatory adjustments, systemic innovation, and interministerial collaboration, we have created an environment conducive to the advancement of internationally competitive asset

management services with Taiwanese characteristics. A variety of new measures have begun to bear fruit, thus laying a solid foundation for enhancing the competitiveness and international influence of Taiwan's financial sector.

For example, the Kaohsiung Asset Management Zone has attracted many financial institutions to engage in trials of various innovative services. An industry cluster is gradually forming as a result. High-net worth asset management, family offices, and inheritance trusts are developing steadily, demonstrating that the nation's asset management industry is steadily moving toward diversification. Looking at the bigger picture, systemic reforms and market liberalization measures are yielding results and driving the continuing expansion of assets under management while enhancing the breadth and depth of Taiwan's financial market.

At the same time, the FSC is fostering a long-term investment mindset among Taiwan's people through the Taiwan Individual Investment Savings Account (TISA) program. It is guiding funds from the financial industry into public infrastructure, the real economy, and sustainable development. It has been enhancing the functions of the capital market and its international connections through such initiatives as the Innovation Board, the Asian Innovation Fundraising Platform, and cross-border ETF listings. Moving forward, the FSC will continue to foster innovative pilot programs, cross-border financial services, REITs, and enhanced TISA features to further enhance the international competitiveness of the asset management industry and make steady progress toward Taiwan's becoming an Asian asset management center.

3. Promoting fintech innovation while creating an environment for inclusive, convenient finance

While promoting fintech innovation and the development of digital finance and fostering innovative applications, the FSC is also prioritizing the needs and rights of the financially disadvantaged. Through the "Guidelines for Inclusive Digital Financial Services" and by promoting fintech activities addressing inclusive finance, the FSC is working to make digital financial services more responsive to the needs of diverse groups.

At the same time, the FSC is improving the regulatory framework for the virtual asset market, promoting the tokenization of real-world assets, and enhancing fintech innovation through such initiatives as the Hidden Lights Program, trial operations for virtual asset custodians, encouraging the formation of digital insurance companies, and introducing open banking and open securities measures. Moreover, the FSC established the Financial Fast-ID verification and transfer center to enhance the interoperability of ID verification. This promotes closer cooperation between financial institutions and fintech companies on creating an innovative, convenient, and inclusive digital financial environment.

4. Financial Operational Resilience on Cybersecurity Ecosystem Blueprint

To improve the cybersecurity capabilities and operational resilience of the financial system while addressing the cybersecurity challenges associated with digital finance and other emerging technologies, the FSC released the Financial Operational Resilience on Cybersecurity Ecosystem Blueprint (FORCE-B) to serve as a continuing basis for financial security.

FORCE-B contains four pillars: Targeted Governance, Holistic Protection, Ecosystem Collaborative Defense, and Robust Resilience. The blueprint aims to craft a financial security ecosystem that has predictive, defensive, and resilient capabilities by strengthening cybersecurity governance functionality and accountability mechanisms at the management level, promoting cybersecurity governance and talent development, advancing zero-trust architecture, raising cybersecurity protection standards, and enhancing the effectiveness of cybersecurity monitoring and protection efforts. Simultaneously, in response to emerging technology such as AI and quantum computing, the FSC is building cybersecurity protection mechanisms in support of the ongoing enhancement of financial institutions' operational resilience. This will help to maintain the stable operation of the financial system and provide the public with a safe, convenient, and trustworthy financial services environment.

5. Furthering the development of sustainable finance and promoting a net-zero transition

To encourage financial institutions to work toward carbon reduction and transformation and help achieve Taiwan's net-zero emissions goals, the FSC continues to implement the Green and Transitional Finance Action Plan. This involves enhancing industry's understanding and adherence to the "Reference Guidelines for Identifying Sustainable Economic Activities" (also known as the "Taiwan Sustainable Taxonomy") by holding promotional sessions and updating its Q&A reference material. At the same time, the FSC continues with sustainable finance assessments, for which the assessment scope has been expanded to include emerging issues. The FSC is also promoting sustainable finance certification and related courses to enhance the financial industry's capabilities as concerns sustainability.

In response to international trends concerning sustainability disclosure, the FSC continues to promote alignment of listed companies and the financial industry with IFRS sustainability disclosure standards in line with relevant regulatory amendments, offering phased guidance via a dedicated task force to help enterprises smoothly align, enhance the quality and transparency of sustainability disclosures, and move toward sustainable development.

6. Stable development of virtual asset market, enhancing risk management measures

In response to rapid progress seen in the virtual asset market, the FSC continues to improve

the regulatory and supervisory frameworks, while the Legislative Yuan passed the Virtual Asset Service Providers Act, thus moving Taiwan toward a sound, forward-looking regulatory system. In the future, the focus will be on promoting sound market development, maintaining financial order, and ensuring investors' rights. The FSC will establish a management mechanism for Virtual Asset Service Providers, improve regulations governing stablecoins and related markets, and strengthen customer asset protection, internal controls, and risk management systems. Balancing innovative development and risk management principles, the FSC is gradually building a safe, transparent, and trustworthy virtual asset market environment.

7. Strengthening consumer protections and refining anti-fraud measures

To curb fraud and reduce financial losses among members of the public, an amended Fraud Crime Hazard Prevention Act was promulgated on January 21, 2026. The revised act establishes protections for individuals who suspect that they are victims of fraud and allows for cross-industry consultations, interministerial technology analysis platforms, and inter-industry joint prevention and reporting efforts. To ensure that financial fraud prevention efforts are balanced against convenience in accessing financial services, the FSC continues to oversee financial institutions' work to more precisely identify high-risk accounts or transactions via cooperation with law enforcement agencies and the sharing of fraud prevention technology among peers.

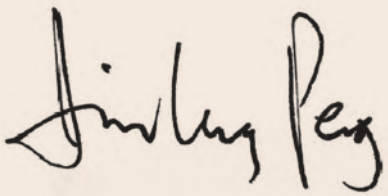
Aside from this, the FSC has amended the Securities Investors and Futures Trader Protection Act to expand the scope of investor protections; it has also revised relevant provisions of the Insurance Act to introduce the right of intervention and specify mandatory enforcement rules for insurance policies. This balances the rights and interests of creditors and policyholders. The FSC also intends to bring financial leasing companies meeting certain conditions under the scope of the Financial Consumer Protection Act in three stages. After financial leasing companies are included, consumer disputes involving such institutions and financial consumers can be resolved through the appeal and review mechanism, providing financial consumers with more comprehensive protection.

Conclusion: Promoting development of the financial market while paving the way to an innovative future

In 2025, the financial industry enjoyed stable operations overall. Financial institutions exhibited sound capital structure and asset quality, while the insurance industry continued to improve its solvency and capital structure. Meanwhile, the capital market maintained growth momentum. All of this demonstrated the resilience and competitiveness of the financial system.

Looking ahead, as we address changes in the global economic and financial environment, the rapid advancement of emerging technologies, and demographic shifts stemming from declining birth rates and an aging population, the FSC will continue to adhere to the philosophy of balancing safety with progress as it promotes the Financial Market Excellence Development Plan. The five core policy directions the FSC will follow are developing Taiwan into an Asian asset management center, creating links to global capital markets, ensuring finance for all ages, promoting three-track finance, and trustworthy finance. Through interministerial and international cooperation, the FSC will guide financial resources to support national development, industrial upgrades, and a sustainable transformation. It will also continue to promote inclusive finance, enhance the accessibility and inclusiveness of financial services, increase public trust in the financial system, and work with the financial industry to create a safe, innovative, inclusive, sustainable, and resilient financial environment.

Chairperson





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Duties and Organization

The FSC was established on July 1, 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 Taiwan's financial market. In 2004, the organization was named the Financial Supervisory Commission, Executive Yuan. However, the Executive Yuan Organization Act as amended February 3, 2010, expressly provided that the Financial Supervisory Commission would be a commission established by the Executive Yuan, but it left the commission's duties and functions unchanged. On the basis of this amended act, the Organic Act Governing the Establishment of the Financial Supervisory Commission was then amended, which entered into force on July 1, 2012. Restructuring of the FSC was completed on July 1, 2012. The organization moved from being an agency headed by a committee to an agency with a single leader, and the name was shortened to simply "Financial Supervisory Commission." While the name had changed, the duties, organizational framework, and functions of the FSC remained as they had been. With respect to financial supervision, the FSC exercises its duties independently in accordance with the law and, acting on its ex-officio authority, continues to promote various financial development policies and 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" as used in the preceding paragraph includes the banking market, bills market, securities market, futures and derivatives market, and their respective settlement systems.
- The term "financial service enterprises" includes financial holding companies, the Financial Restructuring Fund, the Central Deposit Insurance Corporation, banking enterprises, securities enterprises, futures enterprises, insurance enterprises, electronic financial transaction enterprises, and other financial service enterprises. However, the Central Bank shall be the competent authority for the 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.

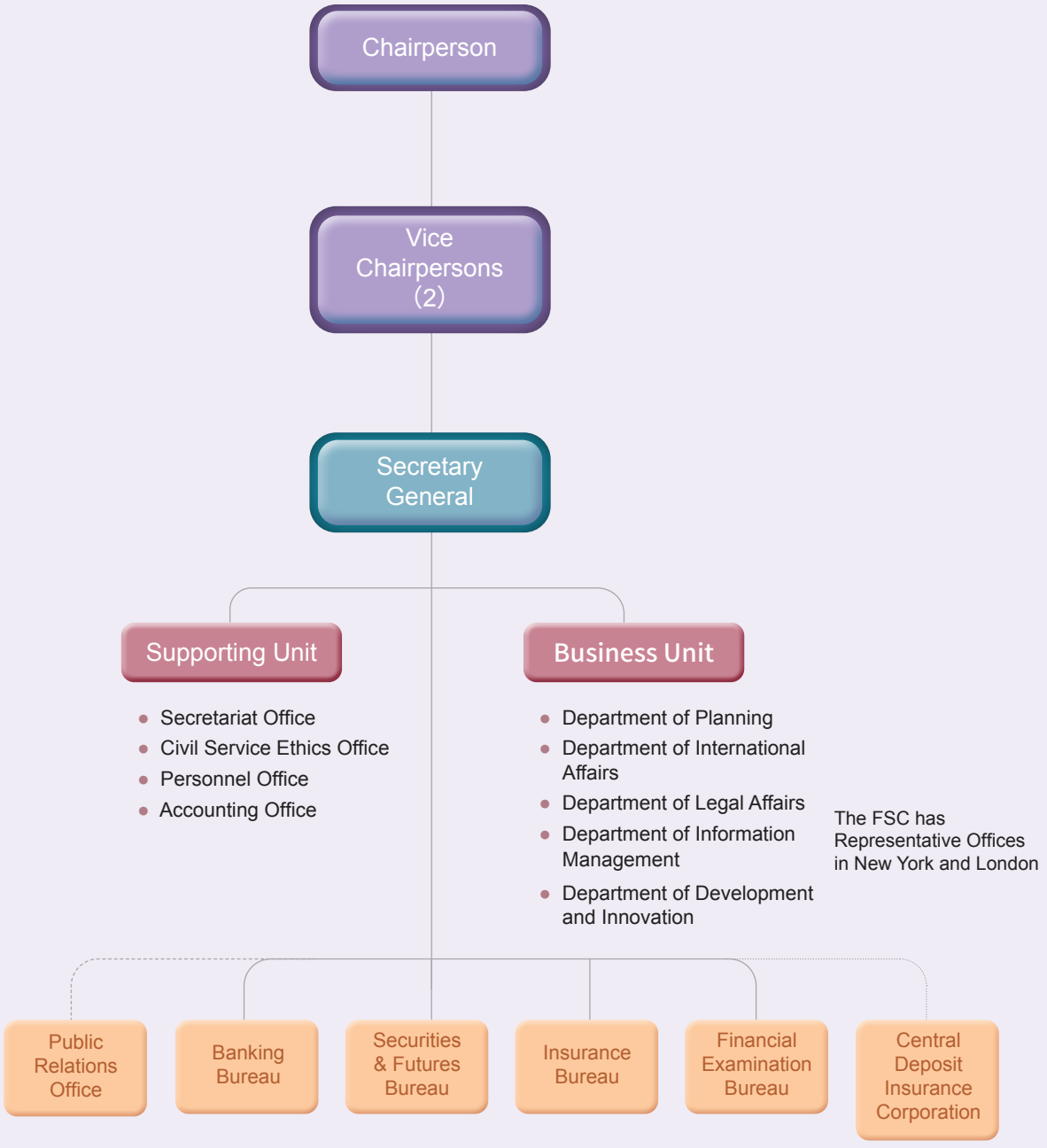
Organizational Structure

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 shall serve as ex officio commissioners. On July 23, 2012, the Executive Yuan 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
- Two representative offices: FSC Representative Office in New York; FSC Representative Office in London
- One special-purpose unit: Public Relations Office

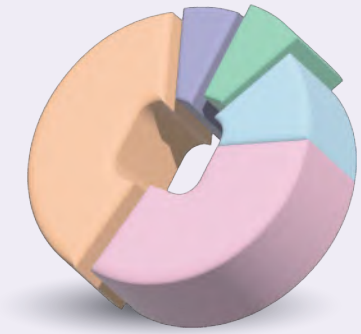
| Organizational Structure |



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 FSC headquarters is 118 persons, while the number of authorized staff at the FSC's four bureaus is 1,000 persons, for a total of 1,118 persons. As of December 31, 2025, current staffing at FSC headquarters consisted of 91 persons; at the Banking Bureau, 214 persons; at the Securities and Futures Bureau, 235 persons; at the Insurance Bureau, 100 persons; and at the Financial Examination Bureau, 287 persons; for a total of 927 persons. In addition, the Central Deposit Insurance Corporation (CDIC) became subordinate to the FSC from January 1, 2011, as per an administrative restructuring. The CDIC had a budgeted personnel complement of 158 in 2025, while the number of regular staff at the CDIC was 152 as of December 31, 2025.

| Age distribution at FSC headquarters and its bureaus |



29 and younger	7.55%
30 to 39	18.77%
40 to 49	31.93%
50 to 59	34.52%
60 or older	7.23%

(Average age: approx. 45.9 years)

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



Doctorates	1.83%
Master's degrees	58.69%
Bachelor's degrees	37.44%
Jr. college degrees	1.94%
High school (vocational high school) degrees	0.10%


Buy
Sell
1,357.72
855.96

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Financial Market Overview and Important Policy Outcomes

Financial Market Overview

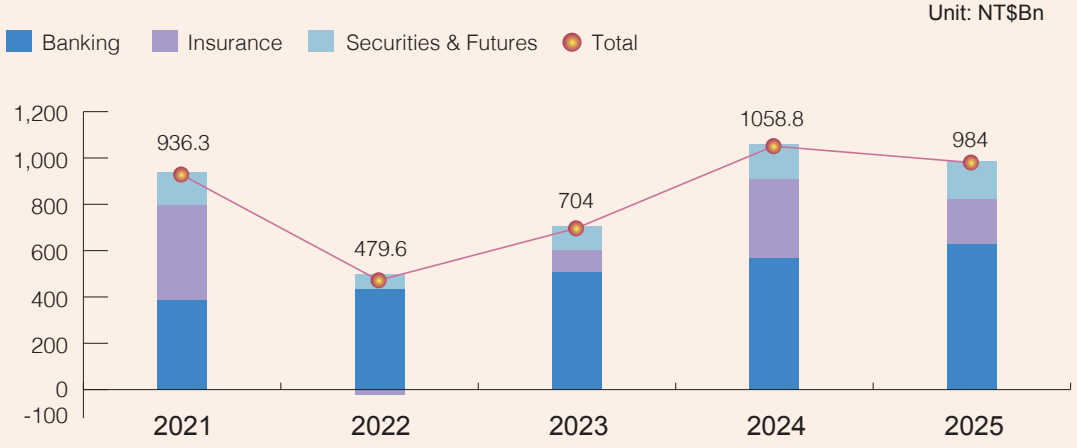
The pre-tax profits of Taiwan's financial industry have grown in recent years (see table below). In 2025, the banking industry benefited from steady growth in its lending and wealth management businesses, with increased net income from interest and fees. This led to the new record high in pre-tax profits. Meanwhile, the securities industry benefited from the rise in stock prices, with increased investment and fee income. This resulted in higher pre-tax profits than seen in 2024. In contrast, the insurance industry saw a decline in profitability compared to 2024 due to a decrease in net investment income. Overall, the pre-tax profits of the financial industry remained relatively stable in 2025 at NT$983.4 billion, a slight decrease compared to 2024.

Pre-tax earnings for domestic financial service providers, 2021–2025

Unit: NT$Bn

	2021	2022	2023	2024	2025
Financial holding companies (consolidated financial statements)	594.7	298	387.6	626.7	608.3
Banks (A)	385.6	432.1	505.7	565.6	627.9
Domestic banks	337	391.9	472.4	527.3	583.6
Taiwan branches of foreign banks	11	10.9	17.5	20.1	22
Taiwan branches of Mainland Chinese banks	6.2	5.6	4.3	3.7	3.5
Credit cooperatives	2.7	3.1	3.5	3.8	4.5
Bills finance companies	13.4	9.2	7.6	8.4	10.4
Chunghwa Post	15.3	11.4	0.3	2.2	3.9
Insurers (B)	411.1	-18.6	98.1	341.5	193.7
Life insurers	388.5	171.9	80.6	315.5	156.9
Non-life insurers	22.6	-190.5	17.5	26	36.8
Securities & Futures Firms (C)	139.6	66.1	100.2	151.7	162.4
Securities firms	119.5	46.9	76.1	116.4	123.6
Futures commission merchants	4.5	5.6	7	9.5	9.8
Investment trust firms	15.6	13.6	17.1	25.8	29
Total (A+B+C)	**936.3**	**479.6**	**704**	**1058.8**	**984**

Unit: NT$Bn



Strengthening Capital Resilience and Risk Supervision in the Financial Industry

The FSC has revised the regulatory capital requirements for banks in accordance with the "Basel III: Finalising post-crisis reforms" standards published by the Basel Committee on Banking Supervision.
Among the revisions made, the standardized approach for credit risk, the internal ratings-based approach for credit risk, operational risk, and leverage ratio regulations came into effect on January 1, 2025. Meanwhile, regulations regarding market risk, credit valuation adjustment, and securitization exposure came into effect on July 1, 2025.

The FSC conducted a bank stress test in 2025. Under the severely adverse scenario, stress levels were moderately elevated for factors including domestic and international economic growth rates, default rates, and the magnitude of declines in housing prices and stock markets. According to the banks' evaluation results, even under the severely adverse scenario, the average Common Equity Tier 1 ratio, Tier 1 capital ratio, and capital adequacy ratio of all domestic banks remained above the statutory minimum requirements, demonstrating that banks maintained robust risk-bearing capacity under stressful conditions.

Developing the Taiwan Insurance Solvency Regime

- Considering the conditions of Taiwan's insurance market and industry feedback, the FSC has planned four phases of localization and transitional measures. These address providing a liquidity discount rate for high-interest-rate policies; applying localized risk factors for key asset and liability risks; establishing transitional measures for major risk categories and net assets of high-interest-rate policies; and the limit of capital resources calculation based on pre-transition risk capital.
- The FSC introduced temporary measures concerning the adoption of an exchange rate averaging mechanism for the calculation of the capital adequacy ratio, and the adjustment to the basis for the provisioning of policy reserves in the life insurance industry, as well as the "Directions for Insurance Companies Applying for Optional Transitional Measures on Capital Resource and Capital Requirement," on June 30 and October 17, 2025, respectively.
- On December 24, 2025, the FSC amended and promulgated the "Regulations Governing Capital Adequacy of Insurance Companies" based on the Insurance Capital Standard and the relevant requirements of the Insurance Core Principles established by the International Association of Insurance Supervisors (IAIS). The amendments revised the minimum capital requirements and the composition of capital resources and also introduced requirements for insurers to conduct their Own Risk and Solvency Assessment (ORSA) and provided the FSC with supervisory measures to handle those institutions failing to meet the ORSA requirement.

Publishing regulations governing the adoption of International Financial Reporting Standard (IFRS) 17 on insurance contracts by Taiwan's insurance industry, effective from 2026.

- On March 18, 2025, the FSC issued an order addressing the discount rates applicable to insurers under IFRS 17 that will become effective from 2026 to ensure consistency in the methodology for constructing discount rates and performing related calculations under both IFRS 17 and the Taiwan Insurance Solvency Regime.

- On April 25, 2025, the FSC amended Article 33 of the "Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises" and issued an interpretation to specify the methodology for setting aside reserves for policy value deficiencies.
- On October 13, 2025, Article 5 of the "Regulations Governing the Calculation, Pay-in Standards, and Fee Collection of Supervisory Fees, Examination Fees, and Regulatory Fees by the Financial Supervisory Commission" was amended. The amendment addresses the calculation of supervisory fees for insurance institutions starting from 2027.
- On December 26, 2025, the financial ratio analysis items and formulas prescribed in the "Regulations Governing the Preparation of Financial Reports by Insurance Enterprises" were amended to enhance the quality of information disclosure.

Enhancing the operational flexibility of securities firms

To enhance the operational flexibility of securities firms, the FSC introduced the following measures in 2025:

- Allowing securities firms to establish simple branch offices or convert existing branch offices into simple branch offices:

  On July 18, 2025, the FSC allowed securities firms to establish simple branch offices or convert existing ordinary branch offices into simple branch offices to feature a smaller scale, streamlined staffing, and a more limited business scope. This measure provides securities firms with more flexible options for establishing business locations, enhances operational flexibility, and helps expand brand visibility and service coverage.
- Relaxing deductible items in the calculation of total liabilities under the debt-to-net-worth ratio：

  On March 18, 2025, the FSC issued an interpretation relaxing the deductible items in the calculation of total liabilities for securities firms' debt-to-net-worth ratio. Newly deductible items include transitional liabilities of a collection-and-payment nature arising from securities underwriting or shareholder services agency businesses, as well as 50 percent of customer equity balances in segregated sub-accounts under securities firms' settlement accounts.
- Relaxing rules on the use of customer sub-accounts under securities firms' settlement accounts:

  On July 24, 2025, the FSC issued an order eliminating the threshold that only funds exceeding NT$1 billion in sub-accounts may be transferred to other banks as time deposits. The FSC also supervised the Taiwan Stock Exchange's adoption of supporting measures. These changes are intended to improve securities firms' flexibility in fund allocation while strengthening risk management.
- Allowing securities dealers to conduct the business of proprietary trading of specific foreign bonds:

  On May 8, 2025, the FSC allowed securities dealers to begin conducting proprietary trading of specific foreign bonds, enabling them to offer investors access to such bonds in smaller denominations. This measure expands the business scope of securities firms, lowers the investment threshold for bond investors, and contributes to financial inclusion.

Announcing that, pursuant to Paragraph 2 of Article 3 of the Futures Trading Act, all New Taiwan Dollar interest rate swap (TWD IRS) transactions between financial institutions would be subject to mandatory central clearing through the Taiwan Futures Exchange (TAIFEX), effective July 1, 2025. This measure is designed to enhance risk management among financial institutions and promote financial market stability. As of December 31, 2025, all TWD IRS transactions subject to mandatory central clearing had been submitted for clearing.

The FSC has refined its methodology and criteria for issuing examination findings to ensure that examination resources are directed toward the key risks and material issues of financial institutions. Examination findings also clearly identify the specific corrective actions expected of the examined institutions, thereby facilitating effective improvements through on-site examinations and enhancing the transparency of the financial examination process.

In June 2024, the FSC commissioned the Joint Credit Information Center to establish an integrated digital regulatory reporting and supervision analysis system for banks. The project is being implemented in a phased manner with a rolling review. A pilot reporting exercise covering credit extension and credit card businesses was launched on October 1, 2025. The system is intended to help the supervisory authority monitor market risks and the operating conditions of individual institutions.



Vice Chairperson Dr. Chen, Yen-liang of the FSC attended the 2025 Insurance Industry Internal Audit Performance Excellence Awards Ceremony on November 21, 2025.

In 2025, the FSC convened colloquia for chief internal auditors from six industry sectors, including financial holding companies. Independent directors of these institutions were also invited to participate to enhance their understanding of internal audit functions and the supervisory measures implemented by the competent authority.

The FSC conducted multiple targeted examinations, including examinations on AML/CFT/CPF measures implemented by enterprises or persons providing virtual asset services, as well as the credit extension business of bills finance companies. The FSC also provided supervisory recommendations to assist financial institutions improve risk management and maintain orderly financial markets.

Enhancing the Development of Financial Market

On November 25, 2025, amendments to the "Regulations Governing the Investing Activities of a Financial Holding Company" were promulgated. Key provisions include: the first investment in an investee company that is a public company must be made in cash; a shareholding ratio exceeding 25 percent has been mandated for initial investments in financial institutions; the submission of reasonable and feasible plans for such initial investments is required; and the double leverage ratio requirement is relaxed for the adjustment period.

As insurance enterprises invest in real estate for long-term, stable income, the benchmark interest rates for statutory returns should be stable, thereby less affected by short-term rate fluctuations. As such, the "Regulations Governing Real Estate Investment by Insurance Enterprises" were revised, setting the benchmark rate to the average two-year small postal time deposit floating rate over the past five years. Further amendments were made to enhance flexibility in managing investment properties by permitting property acquisition dates to be used as the basis for calculating the statutory return.

The FSC addressed the feasibility of excluding gender as a rating factor in the calculation of automobile liability insurance premiums, increasing premium rate differentials for drivers responsible for accidents resulting in death or serious injury, and establishing a mechanism to identify and record at-fault drivers who are not the vehicle owners during the insurance claims settlement process.

Pursuant to the interpretation issued by the FSC on November 12, 2025, non-life insurance companies are permitted to utilize sufficient evidence verifying the proposer's intent to insure as a substitute for the signatures/seals of the proposer and the insured on insurance applications. The scope of this mechanism has been officially extended to include: non-life insurance handled as a fronting business for multinational foreign corporations in Taiwan, co-insurance business, and automobile insurance renewals featuring identical insurance types and coverage amounts as the preceding policy.

On December 31, 2025, the FSC announced the "Regulations Governing Internal Operating Systems and Procedures for the Outsourcing of Insurance Enterprise Operation," which elevates the legal status of outsourcing regulations for the insurance industry from directions to regulations, thereby ensuring the quality of outsourced operations and the protection of consumer's rights, mitigating risks to the industry, and enhancing regulatory transparency.

Implementing Consumer Protection and Financial Inclusion

Amendments to the Fraud Crime Hazard Prevention Act were promulgated on January 21, 2026. The amendments include enhanced provisions for the financial sector stemming from which the FSC will establish four mechanisms: protection for suspected fraud victims, a cross-sector inquiry mechanism, a cross-institution technological analytics platform, and a joint fraud prevention notification mechanism. These mechanisms are expected to prevent further losses to fraud victims, facilitate the early detection of suspected illicit activities, improve the precision of early warnings, and expedite the interception of fraudulently transferred funds.

At the FinTech Anti-Fraud Summit held on August 13, 2025, the FSC publicly commended financial institution personnel for their outstanding performance in preventing fraud through over-the-counter customer care and intervention. The FSC has also requested all banks to recognize and reward employees who have actively contributed to fraud prevention.

While the monthly increase in the number of watch-listed accounts had previously ranged from approximately 2,000 to 3,000 accounts, it has fallen to only a few hundred accounts since June 2025. Moreover, the number has registered negative growth since November 2025. Going forward, the FSC will continue to oversee financial institutions in more accurately identifying high-risk accounts or transactions by deepening cooperation with law enforcement authorities and promoting the sharing of anti-fraud technologies among financial institutions.

The FSC announced the list of registered virtual asset service providers and strengthened related anti-fraud measures.

- On September 22, 2025, the FSC announced a list of nine VASPs for completing AML registration. To date, eight have completed registration.

- The FSC has required VASPs to conduct transactions in a manner that preserves traceable fund-flow records. It has also assisted the Criminal Investigation Bureau in carrying out procedures for returning defrauded virtual assets to victims. As of the end of December 2025, the flow of a total of NT$222.6 million in assets had been blocked and funds had been returned to members of the public.

On April 18, 2025, the FSC and the Central Police University signed a memorandum of understanding on preventing the illicit use of virtual assets. The MOU aims to enhance cooperation in leveraging innovative technologies to prevent fraud and financial crime, strengthen Taiwan's regulatory framework for VASPs, and curb the use of virtual assets for illegal activities.

As of the end of December 2025, SME loans by domestic banks amounted to NT$10,888.4 billion. The amount increased by NT$550.4 billion as compared to the amount at the end of December 2024, achieving 120 percent of the annual growth target of NT$460 billion for 2025.

FSC Chairperson Dr. Peng, Jin-lung attended the 59th Business Liaison Meeting with the presidents of domestic banks on June 24, 2025.





FSC Chairperson Dr. Peng, Jin-lung, along with Premier Cho, Jung-tai, attended the 20th Anniversary Summit for the Domestic Banks' SME Lending Enhancement Program.

The FSC plans to phase in eligible financial leasing enterprises under the Financial Consumer Protection Act. Related amendments, effective September 15, 2025, set business conduct standards covering advertising, customer solicitation, suitability assessments, and information disclosure. Once this change comes into effect, disputes between these enterprises and financial consumers may be resolved through the complaint and evaluation mechanism.

In October and November 2025, the FSC conducted on-site advisory visits to finance leasing enterprises included in the first phase of the regulatory framework's deployment. The visits were intended to help these enterprises review whether their consumer protection measures were sound and appropriate, and to provide recommendations for improvement.

The FSC continued the Assessment of the Implementation of Treating Customers Fairly Principles in 2025. For the first time, it commissioned the Securities and Futures Institute, the Taiwan Academy of Banking and Finance, and the Taiwan Insurance Institute to assess their respective financial sectors. The FSC also optimized assessment measures and enhanced transparency.

The results were announced on October 16, and the award ceremony was held on November 4. The FSC will continue to refine the mechanism, ensure fair treatment of customers, and strengthen consumer protection.



FSC Chairperson Dr. Peng, Jin-lung attended the award ceremony on November 4, 2025.

The FSC expanded the independent grounds on which the Securities and Futures Investors Protection Center (SFIPC) may initiate derivative suits and actions to discharge directors or supervisors. The amendments also broadened the funding sources for SFIPC operations, thereby strengthening the legal framework for investor protection and corporate governance enforcement.

The FSC conducted an evaluation of trust enterprises based on their implementation of the Trust 2.0 Plan in 2024 and presented awards to outstanding performers on August 27, 2025. In addition, beginning on January 1, 2025, the FSC launched the Trust Business Development Strategy Blueprint and implemented the Trust Business Development Evaluation and Reward Measures. As of the end of December 2025, 30 trust enterprises were offering elderly care trust products.



FSC Chairperson Dr. Peng, Jin-lung, along with Premier Cho, Jung-tai, attended the Award Ceremony and Conference on the 4th Evaluation of the Handling of the Trust 2.0 Plan by Trust Enterprises on August 27, 2025.

Protecting policyholders' rights and interests

- On March 25, 2025, an official letter was issued to encourage the life insurance industry to establish a designated contact person mechanism for insurance contracts. This initiative aims to reduce the risks of financial exploitation and fraud for financial consumers, thereby protecting their rights and interests.
- The "Personal Overseas Travel Inconvenience Insurance Reference Provisions," along with related endorsements, became available for filing on October 29, 2025. Revised and clarified provisions regarding claims methods, whether compensation is provided during typhoons or strikes, and the method of calculating and sharing costs, take effect on April 1, 2026.

To ensure basic insurance coverage while balancing the rights of creditors and debtors and reducing enforcement costs, amendments to the Insurance Act were promulgated on June 18, 2025. These amendments specify the insurance contracts exempt from compulsory enforcement and introduce provisions regarding the right to intervene.

The FSC relaxed regulations governing microinsurance and the conclusion of insurance contracts remotely, strengthening financial inclusion education and training in the insurance industry, and advancing inclusive finance.

- On August 14, 2025, the FSC amended and promulgated the "Directions for Insurance Companies to Engage in Microinsurance Business," expanding the scope of persons eligible for microinsurance coverage to include individuals meeting the requirements set forth in Subparagraph 1 of Paragraph 1 of Article 2 of the New Immigrants Basic Act, as well as their family members, with a view to broadening access to basic insurance protection for new immigrants and their families.
- To provide insurance services friendly to minors and accelerate the digital transformation, the FSC relaxed the "Directions for Insurance Companies to Engage in Concluding Distance Insurance Contracts and Providing Insurance Services" and the "Directions for Insurance Agents and Insurance Brokers to Engage in Distance Insurance Contracts and Provide Insurance Service Business." The amendments allow remote insurance services without pilot applications and add an identity verification mechanism for minors without national ID cards.
- The FSC amended the "Guidelines for Financial Friendly Service Standards of Insurance Enterprises" after a review by the Non-Life and Life Insurance Association on January 13, 2025. To reflect the diverse experiences of people with disabilities, insurance companies may design various formats of financial accessibility training with tailored training objectives, themes, and speaker selection.

On December 17, 2025, the "Directions for Insurance Enterprises, Insurance Agent Companies and Insurance Broker Companies Engaging in Telemarketing Business" were amended to establish operational procedures for the provision of electronic policies through telemarketing and online signing to allow the receipt of policies by electronic means.

The amended "Implementation Regulations for the Risk Spreading Mechanism of Residential Earthquake Insurance" expand temporary accommodation expense coverage. When an insured residential property is affected by an earthquake and receives a red hazard notice in line with the "Regulations for Emergency Assessment of Hazardous Buildings After Disasters," insurers shall pay temporary accommodation expenses of NT$100,000 per insured property, with a maximum aggregate payment of NT$200,000 during the policy period.

FSC Chairperson Dr. Peng, Jin-lung attended the Non-life Insurance Industry Executives Liaison Meeting on November 28, 2025.





FSC Chairperson Dr. Peng, Jin-lung attended the Life Insurance Industry Executives Liaison Meeting on December 12, 2025.

The FSC has implemented Phase 7 (2024 to 2026) of the Financial Literacy Promotion Plan to advance financial inclusion. The Plan set a target of achieving 100 percent coverage across all 368 administrative areas of Taiwan in 2025 for financial education activities, ensuring that initiatives address the needs of different regions, make full use of available financial resources, and advance financial inclusion. As of the end of 2025, the Financial Literacy Promotion Task Force had conducted financial education activities, achieving 100 percent of the annual target.

In 2025, the FSC organized the Financial Literacy Contribution Award. The Award Ceremony and Financial Literacy Promotion Symposium was held on October 29, 2025, to recognize and honor organizations for their outstanding achievements and contributions to the promotion of financial education.



FSC Chairperson Dr. Peng, Jin-lung attended the 2025 Financial Literacy Contribution Award Ceremony and Financial Literacy Promotion Symposium on October 29, 2025.

Promoting Asian Asset Management Center

Comprehensive promotion of private banking

- On March 3, 2025, the FSC amended the "Regulations Governing Banks Conducting Financial Products and Services for High-Asset Customers," expanding the eligible purchasers of structured financial bonds issued by banks and relaxing the eligibility requirements for banks applying to conduct high-asset business. This regulatory easing aims to broaden market participation in wealth management services for high-asset customers and further expand banks' assets under management.
- Since 2025, the FSC has approved 13 additional banks to conduct high-asset business, bringing the total to 24 approved banks as of the end of June 2026. The number of high-asset customers reached 26,866, with total assets under management amounting to NT$2.8 trillion.

Establishment of local asset management zones

- On April 1, 2025, the FSC promulgated the "Operation Directions for Financial Institutions Applying for Business Trials in Local Asset Management Zones," providing the basis for financial institutions to apply to conduct pilot operations within the zones. On April 7, the Kaohsiung City government designated and announced the boundaries of the Kaohsiung Zone of the Asian Asset Management Center. Financial institutions may apply to conduct 38 types of pilot operations within this zone.
- The Kaohsiung Zone officially commenced operations in July 2025. As July 7, 2026, a total of 58 financial institutions had been approved to conduct pilot operations in the zone, including 21 banks, 18 securities investment trust enterprises and securities investment consulting enterprises, 13 securities firms, and six insurance companies.



FSC Chairperson Dr. Peng, Jin-lung attended the opening ceremony for the Kaohsiung Zone of the Asian Asset Management Center, jointly held by the FSC and the Kaohsiung City government on July 22, 2025.



FSC Vice Chairperson Chuang, Hsou-yuan accompanied the Legislative Yuan's Finance Committee to visit the Kaohsiung Zone on October 27, 2025.

The FSC supervised the Taiwan Depository & Clearing Corporation (TDCC) in launching the Taiwan Individual Savings Account (TISA) scheme in July 2025. The scheme encourages long-term investment by offering dedicated accounts and selected fund products with preferential management fees and subscription-fee arrangements. As of the end of June 2026, approximately

197,000 investors had opened TISA accounts, and 25 securities investment trust enterprises were offering 45 TISA-class funds.

Expanding Taiwan's ETF market

- The FSC amended relevant regulations on December 25, 2024, to allow the operation of active ETFs and passive multi-asset ETFs, thereby providing investors with more diversified products and supporting the growth of Taiwan's asset management industry. As of the end of June 2026, 35 active ETFs had been listed on the TWSE or TPEx, with assets under management exceeding NT$961.5 billion, while three passive multi-asset ETFs had been listed.
- On December 19, 2024, the FSC recognized Japan as an approved jurisdiction for offshore ETF registration and fund management institutions, allowing Taiwan and Japan ETFs to be cross-listed on each other's stock exchanges. The first pair of Taiwan-Japan cross-listed ETFs was listed on September 18, 2025.

The FSC revised relevant rules to encourage foreign asset managers to establish regional centers, expand investment, and support the training of asset management professionals in Taiwan. For foreign asset managers recognized by the FSC, applications for the public offering and sale of offshore funds may be handled under an effective registration regime, and the cap on the investment ratio of Taiwan investors has been increased to 90 percent. Eight foreign asset managers, including AllianceBernstein, Allianz Global Investors, Invesco, J.P. Morgan Asset Management, BlackRock, Fidelity, Eastspring, and Schroders, have established regional centers in Taiwan.

Enhancing wealth management services by securities firms

- On June 30, 2025, the FSC amended the "Directions for Securities Firms Conducting Wealth Management Business," removing a definition of high-net-worth clients and relaxing the eligibility threshold for securities firms to apply to concurrently conduct discretionary investment management.
- On July 18, 2025, the FSC relaxed the restrictions to allow venture capital and private equity funds invested in or managed by securities firms to be offered to high-asset clients, with the aim of promoting the development of these sectors by such firms.
- The FSC refined wealth management regulations for securities firms to expand product offering, support cross-border asset management, and boost sector competitiveness. The measures include streamlining client eligibility rules, easing the entry requirements for securities firms to concurrently operate discretionary investment business, allowing certain venture capital and private equity funds invested in or managed by securities firms to be offered to high-asset clients, and permitting high net worth corporate clients and high-asset corporate clients to designate foreign custodians for foreign securities.

Promoting Offshore Securities Units (OSUs) to attract overseas Taiwanese capital

- To improve the convenience of remittances for overseas clients, the "Regulations Governing Offshore Securities Branches" have been amended to allow securities firms to launch dedicated accounts with overseas custodians that hold funds from overseas clients.
- To attract overseas clients to open accounts and place orders through OSUs, standards and regulations concerning securities firms' internal control systems have been amended to simplify the account opening process for overseas clients and diversifying the methods for verifying order details.

- To facilitate the activation of funds for overseas clients and diversify OSU products, plans are underway to issue interpretations concerning the Offshore Banking Act, allowing OSUs to conduct unrestricted lending business with overseas clients.

Encouraging the development of Offshore Insurance Units (OIUs) and wealth management business to provide diverse insurance products and services.

- On May 6, 2025, the FSC and the Central Bank jointly revised the "Regulations Governing Offshore Insurance Branches," allowing insurers to calculate policy reserves in accordance with relevant actuarial standards adopted in Singapore and permitting OIU insurance products to engage in derivative transactions for hedging insurance liability positions.
- An amendment to the Offshore Banking Act, promulgated on July 16, 2025, extends the tax exemption period for OIUs until the end of 2035. The extension is expected to provide continuing incentives for insurers to develop new products.
- The FSC amended the "Directions for Life Insurance Companies Engaging in Wealth Management Business" on June 11, 2025. The amendments revise eligibility criteria for insurers to offer wealth management services, defined the scope of services and high-net-worth client qualifications, allowed such clients to access policy loans and premium financing from banks, and relax qualification requirements for wealth management personnel.
- The FSC amended Point 8 of the "Directions for the Separate Account Custodian Institutions and Investment Instruments of Investment-linked Insurance" and Point 9 of the "Directions for Disclosure Requirements of Investment-linked Insurance" on February 18, 2025, adding the proviso that discretionary investment-linked insurance oriented products may be linked to short or leveraged exchange traded funds, and requiring that a relevant notice be placed in insurance product prospectus brochures to ensure disclosure to policyholders.

Guiding and encouraging insurance industry funds to be invested in domestic public infrastructure and physical industries.

- On March 26, 2025, five interpretations were issued concerning the "Regulations Governing Use of Insurer's funds in Special Projects, Public Investments and Social Welfare Enterprises." The interpretations clarify that eligible public infrastructure investments include projects carried out pursuant to the Act for Promotion of Private Participation in Infrastructure Projects and related laws. In addition, they broaden insurers' investments in domestic private equity funds covering public infrastructure, social welfare undertakings, and ESG sustainability-related assets.
- On October 15, 2025, to increase the scope of use of insurance funds, the FSC released an order permitting the insurance industry to allow offshore wind-power marine engineering construction vessels to be used as collateral for insurance loans.
- An interpretation issued on October 27, 2025, provides that "other insurance-related businesses as recognized by the competent authority" under Article 146 of the Insurance Act includes health-related services, digital health and medical technology businesses, and long-term care assistive device and service businesses associated with the claims handling and underwriting operations, policyholder services, or insurance benefit items of insurance enterprises and meet prescribed requirements.
- On October 28, 2025, amendments to the "Regulations Governing Use of Insurer's funds in Special Projects, Public Investments and Social Welfare Enterprises" and related interpretations were

promulgated. The amendments increased the aggregate investment limit from 10 percent to 15 percent, expanded eligible investments to government-approved infrastructure projects, and raised the threshold for insurers to make investments directly, thereby simplifying administrative procedures.

Adopting a dual-track strategy covering both equity and bond markets, the FSC has worked with the Taiwan Stock Exchange and the Taipei Exchange on 14 key industries. By establishing internationally competitive listing and bond issuance frameworks, developing potential issuers, and providing advisory resources, the FSC aims to build Taiwan's capital market into a leading Asian fundraising platform for innovative industries.

From October 15 to 23, 2025, the FSC, together with the TWSE and other market players, jointly held the inaugural Taiwan Week with the theme of building Taiwan into an Asian asset management center. The event attracted approximately 28,000 participants, including more than 1,200 institutional participants and 250 foreign investors and guests from over 20 jurisdictions, showcasing Taiwan's economic strength and the development of its capital market.

Through comprehensive regulatory reforms, market adjustments, and interministerial coordination, domestic and foreign capital has been encouraged to invest in Taiwan. In September 2024, the FSC introduced five key initiatives and 16 implementation strategies. As of the end of June 2026, a total of 60 regulatory amendments had been completed.

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 "Required Qualifications for ‘Foreign Specialist Professionals with Specific Financial Expertise' and Principles for Recognition of Qualifications" to expressly include asset management (including multi-family offices) in the list of key industries.

The FSC established two major policy advisory platforms in 2025. These include the Big Four Accounting Firms Consultation Meeting, formed by inviting the heads of the big four accounting firms, and the Financial Development and Asian Asset Management Center Consultation Meeting, which includes the heads of financial holding companies. Regular meetings are held to draw on the observations and recommendations of advisors from both groups, with the aim of gathering policy suggestions for advancing financial market development and promoting the Asian Asset Management Center initiative.



FSC Chairperson Dr. Peng, Jin-lung, Vice Chairperson Dr. Chen, Yen-liang, and Vice Chairperson Chuang, Hsou-yuan attended the second Financial Development and Asia Asset Management Center Consultation Meeting, on November 24, 2025.

Accelerating Financial Services Through Fintech Innovation

Accelerating Fintech innovation and development

- The FSC released the "Guidelines for Inclusive Digital Financial Services" and launched a fintech-based thematic promotion centered on financial inclusion to better meet the needs of diverse groups.
  - » The FSC released the "Guidelines for Inclusive Digital Financial Services" on November 13, 2025, which outline key recommendations and reference scenarios for digital financial service providers. These guidelines steer financial institutions toward providing more comprehensive digital financial services in line with three key pillars: Providing Human-Centric Digital Financial Services; Promoting Fairness and Accessibility; and Monitoring, Evaluation, and Continuous Improvement.
  - » The FSC launched the 2025 fintech-based thematic promotion initiative centered on financial inclusion. Through focus group discussions and an "online wishing well," the initiative identified the needs and pain points regarding digital financial services from three key groups-youth, senior citizens, and SMEs. A proposal competition was held to encourage innovative digital finance solutions, culminating in a final showcase event hosted on December 11, 2025.
- The FSC fostered the growth of FinTechSpace 2.0 and the FinTech Industry Alliance to strengthen industry resources and innovation capacity.
- The FSC completed technical validation for real-world-asset tokenization, demonstrating the benefits of accelerated settlement and extended trading hours.
- The Financial Fast-ID Authentication and Connection Hub connected 12 financial institutions, enhancing interoperability for digital identity verification.
- In response to international trends in the development of virtual asset services and to support continued innovation in Taiwan's financial sector, the FSC began accepting applications for the Virtual Asset Custody Services Thematic Pilot Program in January 2025 and has continued to provide guidance and consultations. As of the end of June 2026, the FSC had approved five banks to participate in the program.
- In March 2025, the FSC launched the Hidden Gems Discovery Program. Under this program, the FSC has planned to interview 15 financial institutions and fintech startups to understand whether they have conceived of any innovative ideas for experiments and business trials that have yet to have been developed. By doing so, the FSC hopes to help firms by offering tailored advice for future development and encouraging them to submit suitable proposals, and to realize firms' full potential for innovation and to transform ideas into tangible outcomes.
- The FSC revised the "Operation Directions for Subsidizing the Establishment or Operation of a Fintech Space and the Execution of Fintech Development Projects by the Financial Supervisory Commission," streamlining application and review procedures to further support Taiwan's fintech development.

Preparing for implementation of the Virtual Asset Service Act

Drawing on international standards, the FSC drafted the Virtual Asset Service Act to regulate VASPs' financial and business operations and market conduct, promote the sound development of fintech and VASPs, and advance stablecoin issuance. The Act passed its third reading in the Legislative Yuan on June 30, 2026; the Executive Yuan will set the implementation date. The

FSC will continue drafting supporting regulations, consulting relevant trade associations and stakeholders and welcoming input to refine the legal framework.

The FSC amended the "Regulations for Establishment and Administration of Insurance Enterprises" along with 13 related measures on July 30, 2025. The amendments renamed "Internet-only insurers" as "digital insurers," relaxed the eligibility requirements for the establishment of such organizations, and granted a period of regulatory protection for innovative insurance products and services offered by such companies.

The FSC established the Financial Action Innovation Regulation Adaptation Platform, which began operations on July 15, 2024. The platform comprises four regulatory review working groups in the fields of banking, insurance, securities and futures, and technological innovation. Suggestions are put forward by representatives from industry and academia. Following discussions among scholars, experts and FSC units, topics identified as feasible are addressed through regulatory adjustments or other policy measures. As of the end of June 2026, a total of 64 recommendations had been adopted.

From June to August 2025, the FSC successively approved four banks—Hua Nan Commercial Bank, First Commercial Bank, CTBC Bank, and E.SUN Commercial Bank—to collaborate with the TDCC (ePASSBOOK App) in implementing the third phase of open banking services. The newly launched services include applications for New Taiwan Dollar instant transfers, conversions of NT$ and foreign currency current deposits into time deposits, and early termination of NT$ and foreign currency time deposits. These services were officially launched on November 7, 2025.

The FSC approved TDCC's business and implementation plan for the second phase of its open securities plan in September 2025. Related initiatives include incorporating futures into an integrated securities-market service for investors and enabling online financial documents transmission across securities firms. The services was officially launched on July 8, 2026.

To enhance governance over the use of AI in the insurance sector, the FSC supervised the development of the "Self-Regulatory Rules for the Use of Artificial Intelligence Systems by Insurance Enterprises." Based on the six core principles set out in the "Guidelines for Artificial Intelligence Applications in the Financial Industry," the Rules establish concrete implementation measures to strengthen customer data protection and risk management. The Rules were approved by the FSC on April 10, 2025.

To support the development of digital financial services, the FSC supervised the insurance associations in formulating the "Self-Regulatory Rules for Digital Identity Verification by Insurance Enterprises." The Rules establish a common framework for digital identity verification and define the security requirements and assurance levels for various authentication methods. The Rules were approved by the FSC on December 9, 2025.

On February 7, 2025, the FSC amended the "Directions for Promoting Insurance Service Business through Collaboration with Business Entities in Other Industries," expanding travel-related insurance distribution channels to mobile communication service providers offering international roaming services. The FSC also approved pilot programs with parking lot or taxi operators in promoting automobile and personal accident insurance products. Furthermore, the amendment strengthened internal control and audit requirements, thereby ensuring operational security and supporting sound cross-industry partnerships.

The FSC amended the "Directions for Insurance Enterprises Engaging in Electronic Commerce

Business" and the "Regulations Governing Online Insurance Business and Online Insurance Services of Insurance Agent Companies and Insurance Broker Companies." The amendments relax restrictions on the online purchase of travel insurance where the policyholder and the insured are different persons, expanded online life insurance products, permitted the use of vouchers or reward points to offset premiums, and broadened exemption from telephone sampling interviews while also reducing the sampling ratio.

Enhancing Product Service Quality and Strengthening Cybersecurity

To help futures traders respond more precisely to short-term price volatility triggered by major events affecting individual stocks, and to enhance hedging and trading strategies, the FSC supervised TAIFEX in launching weekly single stock options on December 8, 2025.

On September 25, 2025, the "Regulations Governing Online Insurance Business and Online Insurance Services of Insurance Agent Companies and Insurance Broker Companies" were amended and promulgated. New provisions state that insurance agent companies and insurance broker companies applying for online insurance business must obtain personal data management system (PIMS) certification.

On September 25, 2025, the "Regulations Governing the Implementation of Internal Control and Audit System and Business Solicitation System of Insurance Agent Companies and Insurance Broker Companies" were amended to require insurance agent companies engaging in property and personal insurance businesses to establish internal control, audit, and solicitation systems and procedures. The amendments also require qualifying institutions to implement and certify international information security and personal information management standards.



FSC Vice Chairperson Chuang, Hsou-yuan received the "2025 Outstanding Award for Cybersecurity Performance Evaluation of Government Agencies" at the Executive Yuan National Information and Communication Security Taskforce on December 8, 2025.

The FSC supervised financial industry associations in amending relevant self-regulatory norms or formulating reference guidelines to provide financial institutions with a basis for improving cybersecurity protection. In 2025, a total of nine self-regulatory norms, including the "Cybersecurity Protection Baseline for Financial Institutions," were scheduled to be amended.

In 2025, the FSC conducted distributed denial-of-service defense drills for financial institutions. Simulating attack techniques used by international hacker groups, the FSC also held financial cybersecurity offense-defense exercises and competitions with 184 participants from 47 financial institutions.



FSC Vice Chairperson Chuang, Hsou-yuan attended the "2025 Financial Cybersecurity Offense-Defense Exercise and Competition Review Meeting" on October 8, 2025.

The FSC continued to promote the Financial Cybersecurity Action Plan 2.0 and, in response to cybersecurity risks and incidents arising from fintech development, made more regular cybersecurity inspections. To ensure uninterrupted operation of the financial system and provide consumers with a secure transaction environment, the FSC issued the "Financial Operational Resilience on Cybersecurity Ecosystem Blueprint" on December 30, 2025, as the basis for its next stage of work in this area.

Advancing Sustainable Finance to Drive a Low-Carbon Transition

On December 16, 2025, the FSC amended and promulgated the "Regulations Governing Information to be Published in Annual Reports of Financial Holding Companies," "Regulations Governing Information to be Published in Annual Reports of Banks," and "Regulations Governing Information to be Published in Annual Reports of Bills Finance Companies," requiring financial holding companies, banks, and bills finance companies that meet specified criteria to apply the IFRS Sustainability Disclosure Standards.

In 2025, the FSC completed amendments to the "Regulations Governing the Preparation of Financial Reports by Securities Firms and Futures Commission Merchants." Under the amended rules, securities firms and futures commission merchants meeting specified criteria are required to disclose sustainability-related financial information in their annual financial reports, supporting Taiwan's alignment with international sustainability disclosure standards.

In 2025, the FSC amended the "Regulations Governing Information to be Published in Annual Reports of Public Companies" and issued related guidance, requiring qualifying companies to include a board-approved annual-report section on sustainability-related financial information. The FSC has supervised a task force to collect stakeholder inquiries and prepare FAQs, implementation-plan templates, IFRS S2 disclosure examples, and training for listed companies' transition to IFRS Sustainability Disclosure Standards.

Implementing the "Green and Transition Finance Action Plan"

- Green financing and investment reached NT$5.5 trillion (as of the end of June 2026), achieving 91 percent of the 2030 target of NT$6 trillion.

- The FSC completed 18 outreach seminars on the Taiwan Sustainable Taxonomy and updated the accompanying Q&A, thereby enhancing industry's application of the taxonomy and accelerating the low-carbon transition.
- The FSC expanded the Fourth Sustainable Finance Evaluation to cover nearly 100 financial institutions and incorporated emerging sustainability issues, making the evaluation indicators more forward-looking.
- As of the end of June 2026, 603,347 individuals had obtained the Basic Sustainability Competency Certificate, with financial practitioners accounting for 71 percent of certificate holders, while 1,726 individuals had obtained the Advanced Sustainability Competency Certificate.

The FSC engaged in the extension of the Fourth Phase of the Incentive Program for Insurers' Investments in the Six Core Strategic Industries, Public Infrastructure Investments, Long-Term Care Services, and Sustainability Bonds.

- As of the end of December 2025, domestic banks had provided loans of NT$8.3 trillion to firms in the Six Core Strategic Industries. This represented an increase of NT$389.3 billion compared to the loan balance at the end of December 2024, and was 102.47 percent of the 2025 annual growth target of NT$380 billion.
- As of the end of December 2025, insurers' outstanding investments in the Six Core Strategic Industries, public investments, long-term care services, and sustainability bonds totaled NT$2.6 trillion. Compared with the baseline of June 2022, these investments had increased cumulatively by NT$573.6 billion, reaching 239 percent of the program's target of NT$240 billion.

The FSC supervised the Taipei Bills Finance Association and the Taiwan Depository & Clearing Corporation in their joint effort to promote sustainable development in the bills market. On October 20, 2025, a sustainable development bills framework was officially launched, with the aim of channeling funds from the bills market toward sustainable development initiatives and encouraging enterprises to participate in sustainable transformation.

On October 15, 2025, to increase the scope of use of insurance funds, the FSC released an order permitting the insurance industry to allow offshore wind-power marine engineering construction vessels to be used as collateral for insurance loans. This change lets insurance industry funds support the development of offshore wind power chain and Taiwan's energy transformation goals.

Strengthening International Cooperation and Exchanges

On December 3, 2025, the FSC and the International Financial Services Centres Authority of India completed the signing of the Memorandum of Understanding in Relation to Mutual Cooperation during the 18th meeting of the India Taiwan Economic Consultations being held in Taipei.

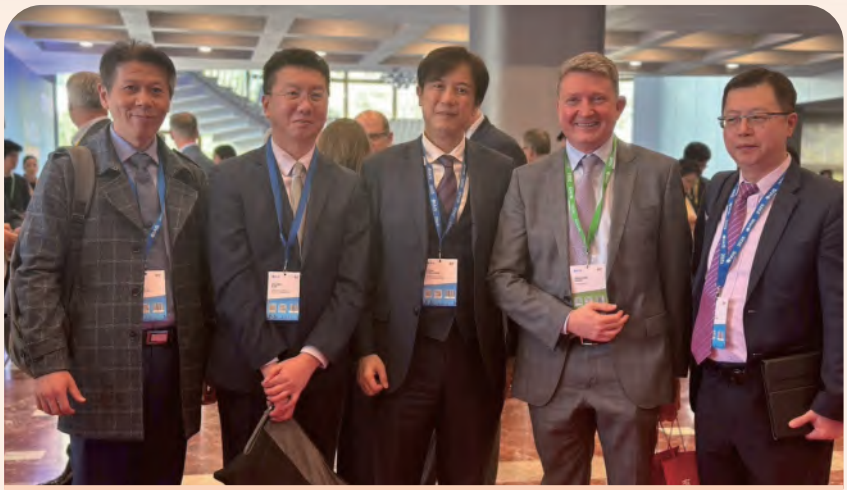
Important exchange activities with other countries in 2025

- On February 25, 2025, the FSC received the Asia-Pacific Trade Minister of the UK Department for International Trade and the Deputy Director of the British Office in Taiwan to exchange views on asset management, fintech, and sustainable transformation.
- On March 7, 2025, the Centre for Alternative Finance at the University of Cambridge hosted a workshop on regulatory issues at the FSC at which were exchanged views on such emerging topics as open banking, digital assets, and regulatory sandboxes.

- On March 11, 2025, the FSC hosted the President of the Japan Finance Corporation and the Director of the Economic and Trade Department of the Japan-Taiwan Exchange Association to exchange views on providing financing to SMEs.
- On July 8, 2025, the FSC attended the 2025 UK Cyber Mini Mission Seminar co-organized by the British Office in Taiwan and the Taiwan Academy of Banking and Finance.
- On July 23, 2025, the FSC met with the newly appointed head of the Economics Section of the American Institute in Taiwan to exchange views on issues such as Taiwan's becoming an Asian investment center, progress on virtual asset-related legislation, and exchange-rate losses in the life insurance industry.
- On August 20, 2025, the FSC met with a delegation of Romanian parliamentarians to discuss banking and green finance.
- On December 4, 2025, the FSC met with a delegation from the Vietnam Energy Efficiency Improvement Program to share information on green finance and transition finance, as well as experiences in promoting green credit supervision.
- On December 4, 2025, the FSC met with the newly appointed deputy director of the Central Bank of Italy's Tokyo Representative Office to discuss banking supervision, insurance supervision, and digital finance.

Participation in other international meetings and events in 2025

- The FSC participated in APEC meetings in 2025, including the Finance and Central Bank Deputy Ministers' Meeting (FCBDM) from March 5 to 7; the Senior Finance Officials Meeting (SFOM) from May 7 to 9; the Finance Ministers Meeting (FMM) from October 20 to 22; and the Fourth Structural Reform Ministerial Meeting (SRMM) from October 22 to 23.
- From May 10 to 16, 2025, the FSC attended the 50th Annual Meeting of the International Organization of Securities Commissions in Doha, Qatar. FSC representatives shared Taiwan's experience at the Asia-Pacific Regional Committee session and held bilateral meetings with major securities regulators, including the US Securities and Exchange Commission.
- The FSC attended the OECD Roundtable on Capital Market and Financial Reform in Asia 2025 in Tokyo from June 26 to 27, 2025, and was a panelist for the session on Supervision of Financial Applications of Artificial Intelligence.
- The FSC attended the online 12th Green Finance Investment Forum held by the OECD in Paris, France, from October 7 to 8, 2025.
- The FSC participated in the IAIS General Meeting, committee meetings, and annual conference in Albania from November 10 to 14, 2025. Supervisors and international organizations exchanged views on the implementation of the ICS, climate change and protection gaps arising from natural disasters, as well as artificial intelligence and financial stability. Through its participation, the FSC stayed abreast of international insurance supervisory developments and strengthened international cooperation.
- The FSC attended the OECD Roundtable on Corporate Governance on November 27 to 28, 2025.
- The FSC collaborated with the Toronto Centre, a Canadian financial training institution, to co-host a professional regional program on financial conglomerate supervision from December 1 to December 5, 2025. Participants came from the Philippines, Malaysia, Thailand, India, Indonesia, Cambodia, Nepal, Kazakhstan, Sri Lanka, Brunei, Vanuatu, Papua New Guinea, and Taiwan.



FSC Vice Chairperson Dr. Chen, Yen-liang led a delegation to attend the IAIS Committee Meetings, Annual General Meeting, and Annual Conference from November 10 to 14, 2025.



FSC Vice Chairperson Chuang, Hsou-yuan delivered a speech at the opening ceremony of the Conglomerate Supervision and SupTech Support event on December 1, 2025, and here is seen with lecturers from the Toronto Centre and financial supervisors.



FSC Vice Chairperson Dr. Chen, Yen-liang delivered a speech at the closing ceremony of the Conglomerate Supervision and SupTech Support event on December 5, 2025, and here is seen with lecturers from the Toronto Centre and financial supervisors.



FSC

Financial Supervisory Commission, Taiwan

2025-2026 Annual Report

Policy Directions and Priorities for 2026

- Strengthening Financial Resilience and Risk Supervision
- Enhancing Market Discipline and Corporate Governance
- Implementing Consumer Protection, Financial Inclusion, and Combating Financial Fraud
- Building an Asian asset Management Center with Taiwanese Characteristics
- Promoting FinTech Innovation and Enhancing Financial Services
- Promoting Green and Transition Finance

Policy Directions and Priorities for 2026

Strengthening Financial Resilience and Risk Supervision

The FSC has opened up the application process for domestic banks to adopt the Internal Ratings-Based (IRB) approach for calculating credit risk capital, for which seven domestic banks have submitted their applications. These banks have completed a one-year trial period, and the FSC expects to make decisions on their applications in 2026. Additionally, relevant regulations governing banks' applications to adopt the IRB approach will be reviewed and adjusted on a rolling basis, depending on the implementation progress.

The FSC continued to review the regulatory framework for the Taiwan Insurance solvency regime for the insurance industry on an ongoing basis.

- The FSC reviewed insurers' applications for optional transitional measures and monitor insurers to enhance their capital adequacy.
- The FSC continued to monitor insurers' financial and operational conditions following the implementation of the new solvency regime, taking into account international supervisory practices relating to insurance solvency frameworks, and review the relevant regulatory requirements on an ongoing basis.
- To encourage insurers to adjust their product structure, strengthen asset-liability management, and resolve currency and duration mismatches between assets and liabilities, the FSC will develop appropriate indicators or mechanisms to enhance the resilience of insurers' capital.

In response to the long-term operating characteristics of the life insurance industry, relevant measures were formulated to provide an appropriate presentation of foreign exchange valuation and to strengthen financial resilience against long-term foreign exchange risks.

- Life insurers primarily invest in long-term overseas bonds to meet long-term policy liabilities. However, under International Accounting Standard 21, foreign investments must be measured at the closing exchange rates for each reporting period. The resulting foreign exchange gains or losses are unrealized and may cause fluctuations in financial statements that do not reflect the underlying economic substance of the life insurance business.
- After considering stakeholders' views, the FSC amended the "Regulations Governing the Preparation of Financial Reports by Insurance Enterprises" on February 5, 2026, to revise the presentation of foreign exchange gains and losses and to introduce complementary disclosure and capital measures. In addition, the "Directions for the Setting Aside of Foreign Exchange Valuation Reserve by Life Insurance Enterprises" were amended to strengthen long-term foreign exchange risk management.

On December 30, 2025, the FSC issued the "Financial Operational Resilience on Cybersecurity Ecosystem Blueprint," promoting financial cybersecurity policies centered on Targeted Governance, Holistic Protection, Ecosystem Collaborative Defense, and Robust Resilience. The Blueprint guides the financial system to shift from a compliance-oriented approach to an outcome-oriented approach. It aims to foster a virtuous cycle of continuous improvement in cybersecurity governance and strengthen financial institutions' cybersecurity capabilities to be predictive, defensive, and recoverable.

The FSC plans to continue conducting scenario-based drills for responding to major financial cybersecurity incidents. Chief information security officers at financial institutions will lead staff to conduct internal cross-departmental drills based on scenarios specified by the FSC to strengthen cybersecurity response capabilities.

In response to emerging cybersecurity risks associated with fintech, the FSC will continually update its annual examination focuses. Examinations will address key cybersecurity issues, including supply chain attacks, cloud service risks, and digital operational resilience. Through its examinations, the FSC will urge financial institutions to strengthen the resilience of their information operations and enhance their cybersecurity risk management capabilities. The FSC will also place greater emphasis on evaluating the effectiveness of business continuity plans and cybersecurity defenses.

In response to evolving trends concerning supervisory technology (suptech), the FSC will continue, in accordance with its established implementation schedule, to commission the JCIC to study and assess the expansion of the integrated digital regulatory reporting and supervision analysis system for banks to incorporate data on investment and derivatives business, with a view to strengthening the integrated use of supervisory data and enhancing risk early-warning capabilities and supervisory effectiveness.

In 2026, the FSC will conduct both full-scope and targeted examinations of financial institutions using differentiated examinations, taking into account such factors as economic and financial conditions, as well as each institution's business scale, the nature of its business activities, its risk profile, and its operational complexity, with a view to maintaining the stability of the financial system.

Enhancing Market Discipline and Corporate Governance

On May 6, 2026, the FSC amended "Implementation Rules of Internal Control and Internal Audit System of Financial Holding Companies and Banking Industries." Key amendments reinforce cooperation within the three-line model and strengthen operational resilience, risk management, and cybersecurity. Self-inspection procedures are streamlined, and sustainability disclosure quality is enhanced. The rules also guarantee the chief auditor's independence and empower internal audit units. Moving ahead, the FSC will continue to oversee implementation.

Enhancing insurance product structures and promoting diversification

- To ensure that policyholders fully understand products prior to contracting, minimize disputes resulting from insurance benefits or surrender values falling short of expectations, and strengthen the information disclosure mechanism for interest sensitive insurance products, the FSC is scheduled to revise the "Directions for Life Insurance Companies to Engage in Interest Sensitive Insurance Products Business" and related regulations in 2026.
- To strengthen the financial soundness of life insurance companies and safeguard policyholder rights, the FSC plans to promote insurance products with reduced long-term guarantees in 2026.
- The FSC expects to amend the "Regulations Governing Pre-sale Procedures for Insurance Products" in 2026 to remove the restriction that insurance enterprises may only apply twice a year to switch prior-approval insurance products to the use-and-file procedure. Additionally, the recognition period will be extended from half a year to one year, and restrictions on insurance enterprises utilizing experience incidence rates when designing health insurance products are planned to be relaxed.

To advance gender equality, ensure that disability severity classifications are not determined on the basis of gender, and eliminate the use of potentially derogatory terminology such as "disfigurement," the "Payment Standards of the Compulsory Automobile Liability Insurance" were amended on February 25, 2026, specifically the Appendix to Article 3. The revisions were made to align with current medical practice and the operational requirements of disability assessment and certification procedures.

In consideration of socioeconomic development and the overall financial status of the Compulsory Automobile Liability Insurance program, and without imposing additional premium burdens on policyholders while ensuring the program's long-term sustainability, the benefit amounts for death compensation and Grade 1 disability compensation were each increased by NT$3 million. The adjustment was made to strengthen protection for victims of motor vehicle traffic accidents and came into effect on July 1, 2026.

Implementing Consumer Protection, Financial Inclusion, and Combating Financial Fraud

The FSC amended the "Regulations Governing Fraud Crime Hazard Prevention by Financial Institutions and Businesses or Personnel Providing Virtual Asset Services" to provide a legal basis for cross-sector inquiry and joint fraud prevention notification mechanisms, as well as the establishment of a cross-institution technological analytics platform. It will continue to enhance financial fraud prevention measures across the five pillars of financial fraud interception: technology-driven prevention, precision detection, public-private cooperation, over-the-counter blocking, and clear accountability.

The Financial Supervisory Commission continues to encourage domestic banks to promote SME loans with risk control and management in place. The FSC will endeavor to foster a favorable banking environment for SMEs.

Continuing the Promotion of Commercialized Real Estate Reverse Mortgage Services

- The FSC encourages banks to continue promoting commercialized real estate reverse mortgage services under appropriate risk management practices. The FSC will also continue to monitor market developments, listen to suggestions from senior citizens and banks, and provide appropriate assistance where necessary to facilitate the development of such business, thereby meeting consumers' financial needs for asset utilization and retirement security in an aging society.
- As of the end of June 2026, a total of 16 banks were offering commercialized real estate reverse mortgage services, with 11,011 approved cases and an approved loan amount of approximately NT$65.6 billion. Compared with the end of June 2025, these figures represent increases of 14.2 percent and 17.56 percent, respectively, showing continued steady growth.

The FSC continues to urge the Bankers Association of the Republic of China 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.

On April 21, 2026, the FSC amended the "Regulations Governing Business Solicitation, Underwriting and Claims of Insurance Enterprises" to allow insurers to establish self-regulated customer protection frameworks based on operational needs and customer conditions. The objective is to further enhance the convenience of obtaining insurance for senior citizens while continuing to safeguard such individuals' rights and interests and enhance industry efficiency.

The FSC amended the "Regulations Governing Investment of Investment-linked Insurance" and "Directions for Separate Account Custodian Institutions and Investment Instruments of Investment-linked Insurance" to prohibit investment-linked insurance product from investing in Total Loss-Absorbing Capacity bonds. Furthermore, exchange-traded funds (ETFs), index funds, and actively managed ETFs that invest in non-investment grade bonds and emerging market bonds are now also included within the limit regulations.

The FSC will continue to commission the Securities and Futures Institute (SFI) to conduct the Assessment of the Implementation of Treating Customers Fairly Principles in 2026. The assessment, covering 2025, is expected to be completed and the results will be announced in the third quarter of 2026. In addition, the FSC will continue to review and refine the assessment mechanism on a rolling basis and plans to publish the 2028 assessment framework for treating customers fairly principles in the fourth quarter of 2026.



Measures for Protecting Consumer Rights and Interests through the Inclusion of Financial Leasing Enterprises under the Financial Consumer Protection Act.

- To strengthen consumer protection, the FSC will phase eligible financial leasing enterprises into the Financial Consumer Protection Act. The first stage designated 13 enterprises including Chailease Finance, Taiwan Acceptance Corporation, Hotai Finance, and Infinite Finance as financial services enterprises and began on September 15, 2025. The second stage covers 13 enterprises invested in by financial institutions and took effect on March 15, 2026. The third stage will include remaining Taipei Leasing Association members starting from September 15, 2026.
- The FSC will continue to urge these leasing companies to comply with the Act and its subordinate regulations. By bringing them within the scope of the Act, the FSC will gain a better understanding of the operations of leasing companies of different sizes and business models, build experience in managing finance leasing companies, and continuously assess the effectiveness of these measures. The FSC will also take into account external feedback on the Act and its subordinate regulations, thereby further enhancing protections for financial consumers.

The FSC will maintain financial consumer protection as an annual financial examination focus in 2026 and will conduct targeted examinations and provide related supervisory suggestions in a timely manner.

Building an Asian Asset Management Center with Taiwanese Characteristics

The FSC has established the Banking Business Promotion Task Force for the Asian Asset Management Center as well as three major workshops focusing on private banking, family offices, and OBU wealth management. Representatives from industry, government, and academia have been invited to develop operational procedures and internal control frameworks for emerging business areas, including source of wealth practices, Lombard lending, and policy/premium financing.

The FSC will work toward expanding the scope of cross-border financial services by extending eligibility to domestic high-asset customers and strengthening collaboration between domestic financial institutions and their overseas branches. This initiative aims to extend Taiwan's financial services to international markets while enhancing the global visibility and attractiveness of Taiwan's asset management industry.

The FSC plans to establish an Offshore Asset Management Unit (OAMU) by integrating Offshore Banking Units (OBUs), Offshore Securities Units (OSUs), and Offshore Insurance Units (OIUs). Through cross-sector collaboration among the banking, securities, and insurance industries, the OAMU will provide offshore clients with a one-stop financial services platform, thereby improving service efficiency and customer experience while enhancing Taiwan's capacity to attract foreign capital.

The FSC will consider a trial program in designated local asset management zones to relax the 99-investor limit on certain offshore funds that do not have the nature of securities investment trust funds.

The FSC will continue to review asset management business rules, fund offering procedures, and relevant investment restrictions, with a view to refining the regulatory framework and related market practices.

To promote innovation in the insurance market and meet consumers' diverse needs for retirement planning, a study on Index Universal Life Insurance and Fixed Indexed Annuities, along with related regulatory amendments, is expected to be completed by the end of 2026.

Drawing on the framework of the Incentive Loan Program for Domestic Banks Providing Loans to the Six Core Strategic Industries, the FSC introduced incentive measures for bank lending to the industries designated under the Executive Yuan's Five Trusted Industry Sectors Promotion Plan on February 3, 2026. The measures aim to encourage banks to extend the operational funding required by these industries while maintaining sound risk management practices.

Encouraging insurance funds to invest in domestic public infrastructure and strategic industries.

- The FSC will continue its work associated with the Trillion-Dollar Investment National Development Program by strengthening inter-ministerial collaboration and public-private partnerships to expand the pipeline into public infrastructure projects. In addition, it will supervise the Capital Market Service Group to provide guidance and assistance to the government and enterprises in issuing securitized products and sustainability bonds, thereby increasing the supply of financial products for public infrastructure investment.
- The FSC will continue to build a diversified fundraising environment to support startups, innovative enterprises, and the real economy. By visiting promising companies and organizing or participating in industry outreach activities and seminars, the FSC will help enterprises access the capital market and expand the scale of Taiwan's capital market.

The FSC will continue to supervise the TPEx in collecting feedback from market participants and studying the development of major international bond markets, to formulate measures to further develop Taiwan's bond market.

The FSC will continue to build a diversified fundraising environment to support startups, innovative enterprises, and the real economy. By visiting promising companies and organizing or participating in industry outreach activities and seminars, the FSC will help enterprises access the capital market and expand the scale of Taiwan's capital market.

The FSC will supervise the TWSE and other market institutions in jointly organizing 2026 Taiwan Week, continuing to deepen the theme of building Taiwan into an Asian asset management center and communicating the FSC's policies and achievements to domestic and international audiences.

Through comprehensive regulatory reforms, market adjustments, and interministerial coordination, domestic and foreign capital will be encouraged to invest in Taiwan. Ongoing regulatory reforms will continue to strengthen and expand Taiwan's financial markets.

Taiwan continued to seek to sign financial supervisory or fintech cooperation MOUs with other nations, so as to enhance international exchange and cooperation. By participating and hosting bilateral and multilateral meetings and attending the finance-related meetings of international organizations and working with other nations on supervisory exchanges and sharing best practices, Taiwan is building ties and increasing its international visibility.

Promoting FinTech Innovation and Enhancing Financial Services

The FSC is continuing to modify financial regulations while working with industry stakeholders to promote FinTech

- The FSC is advancing amendments to the Financial Technology Development and Innovative Experimentation Act to enable financial institutions to pilot business activities currently restricted by administrative regulations, while further optimizing the innovative experimentation mechanism.
- The FSC has fostered growth of the FinTech Co-creation Platform to support the overseas expansion of fintech startups, establish regular communication between financial institutions and VASPs, develop AI learning resources for the securities and futures industry, assess AI risk classification, and expand Financial Fast-ID applications.
- The FSC continues to promote RWA tokenization. Following the successful completion of technical validation by the RWA Tokenization Working Group, future efforts will focus on regulatory refinement, platform development, and international connectivity to establish globally aligned token trading and settlement mechanisms that drive financial innovation.

To facilitate the implementation of the Virtual Asset Service Act, the FSC will continue to work with relevant agencies and stakeholders and draft nine subordinate regulations to address: establishment requirements, financial and business management, personnel management, internal control systems, outsourcing, handling of abnormal accounts and transactions, industry association governance, preparation and filing of financial reporting, and stablecoin issuance.



To encourage innovation and accelerate the digital transformation of the insurance industry, the FSC continues to promote the development of digital insurers. Fostering innovative products and services that support financial inclusion, these efforts will enhance the efficiency of insurance services and strengthen consumer protection. The review results on license applications for digital insurers are expected to be announced in Q4 2026.

The FSC amended the "Directions for Insurance Enterprises Engaging in Electronic Commerce Business" on April 30, 2026. Key amendments including 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 insurance supplementary clauses; allowing pilot businesses that have achieved expected benefits to be handled in accordance with self-regulatory rules, easing the requirements for digital insurers to obtain credentials, and enhancing ID verification procedures.

Promoting Green and Transition Finance

FSC launches the Third Edition of the Taiwan Sustainable Taxonomy and the Subsidy Program for Proposals to Promote Sustainable Finance

- The FSC launched work on the third edition of the Taiwan Sustainable Taxonomy, expanding industry coverage and conducting rolling reviews of existing content to encourage financial institutions to support the low-carbon transition across a broader range of industries.
- The FSC offered subsidies for organizing sustainable finance-related activities and for issuing public calls for proposals to promote sustainable finance, thereby facilitating the promotion of the net-zero transition and sustainable development goals.

To assist TWSE- and TPEx-listed companies in transitioning smoothly to IFRS Sustainability Disclosure Standards, the FSC will continue to supervise the task force in collecting inquiries from stakeholders, preparing FAQs and disclosure examples for IFRS S1, and monitoring the implementation progress of listed companies' transition plans.



FSC

Financial Supervisory Commission, Taiwan

2025-2026 Annual Report

Appendices

- FSC Management Team
- Financial Statistics Overview

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 | Kuang-Chi Shang

Director-General of Securities and Futures Bureau | Ching-Ping Kao

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 | Li-Jing Jaw

Director of Accounting Office | Feng-Chin Chien

Director-General of Department of International Affairs | Joe Lai

Director of Department of Development and Innovation | Stanley Lin

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

Director-General of Department of Planning | Christine Liu

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

Director of Personnel Office | Cheng-Chin Sun



Financial Statistics Overview

Banking Industry

- Assets and net worth continued to increase:

  At the end of 2025, the total assets and net worth of the banking sector were NT$92.3 trillion and NT$6.3 trillion, respectively, including NT$76.6 trillion and NT$5.6 trillion, respectively, for domestic banks' assets and net worth.

- Annual profits reached a record high:

  In 2025, the banking sector's profit before tax reached NT$627.9 billion, hitting another historical high and marking an increase of NT$62.3 billion from 2024. This was mainly driven by the AI boom, which bolstered exports, stock market performance, and trading in financial products, leading to the steady growth of lending and wealth management businesses and increases in both net interest income and net fee income.

  In 2025, the return on assets and return on equity of domestic banks were 0.78 percent and 10.83 percent, respectively, up by 0.03 percentage points and 0.29 percentage points from 2024.

- Loans extended by domestic banks continued to grow:

  Outstanding loans by domestic banks stood at NT$44.8 trillion at the end of 2025. Meanwhile, non-performing loans (NPLs) amounted to NT$66.4 billion, resulting in an NPL ratio of 0.15 percent. The coverage ratio was 917.43 percent.

- Important indicators

Unit：firm；NT$Bn

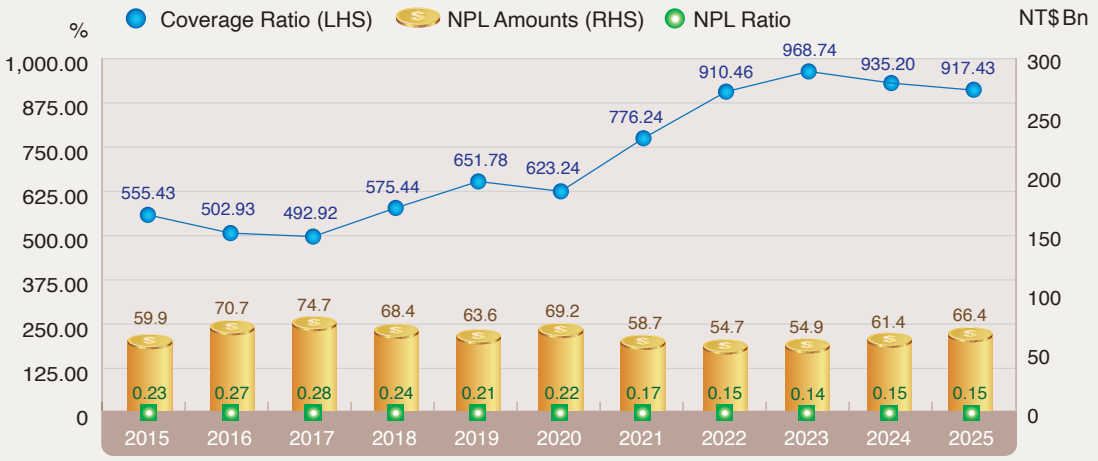
Item	2020	2021	2022	2023	2024	2025
Number of banks (Firm)						
Head office	111	114	119	118	118	120
Domestic banks	37	38	39	38	38	38
Local branches of foreign and mainland Chinese banks (1)	29	30	31	31	31	31
Credit cooperatives	23	23	23	23	23	23
Bills finance companies	8	8	8	8	8	8
Postal savings system	1	1	1	1	1	1
Credit card companies	4	4	4	4	4	4
Specialized electronic payment institutions	9	9	11	10	9	10
Foreign migrant worker remittance companies	0	1	2	3	4	5
Branches	5,056	5,059	5,040	5,048	5,035	4,998
Domestic banks (2)	3,403	3,404	3,384	3,393	3,379	3,351
Local branches of foreign and mainland Chinese banks (3)	38	39	40	40	40	40
Credit cooperatives	285	287	288	289	291	292
Bills finance companies	30	30	30	30	30	30
Postal savings system (4)	1,300	1,299	1298	1,296	1,295	1,285
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$Bn)	46,908	50,451	54,830	57,480	61,842	66,055
Domestic banks' share (%)	95.50	96.42	95.47	95.55	96.11	95.52
Local branches of foreign and mainland Chinese banks' share (%)	2.91	2.00	3.02	2.95	2.43	3.09
Credit cooperatives' share (%)	1.59	1.58	1.51	1.50	1.46	1.39
Loans of the banking sector (NT$Bn)	33,462	35,747	38,825	40,399	44,312	47,073

Item	2020	2021	2022	2023	2024	2025
Domestic banks' share (%)	94.04	94.20	94.41	95.22	95.25	95.22
Local branches of foreign and mainland Chinese banks' share (%)	4.40	4.26	4.10	3.28	3.27	3.34
Credit cooperatives' share (%)	1.56	1.54	1.49	1.50	1.48	1.44
Non-performing loans (NPLs)						
NPLs of banking sector (NT$Bn)	70.2	59.7	55.1	55.4	62.0	67.0
NPLs of domestic banks (NT$Bn)	69.2	58.7	54.7	54.9	61.4	66.4
NPLs ratio of banking sector (%)	0.21	0.17	0.14	0.14	0.14	0.14
NPLs ratio of domestic banks (%)	0.22	0.17	0.15	0.14	0.15	0.15
Coverage ratio of domestic banks (%)	623.24	776.24	910.46	968.74	935.20	917.43
Domestic bank profitability						
Return on equity (ROE) (%)	7.70	8.03	9.19	10.40	10.55	10.83
Return on assets (ROA) (%)	0.59	0.59	0.64	0.73	0.76	0.78

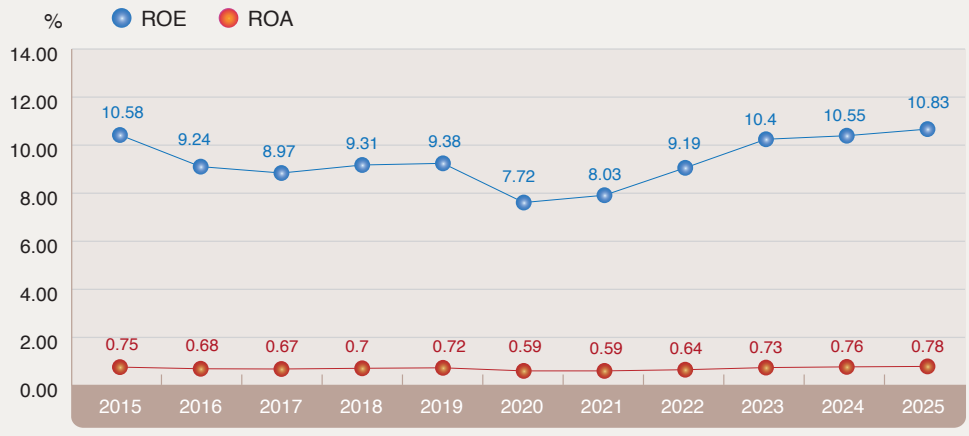
Note: 1. The data exclude Agricultural Bank of Taiwan.
2. "Banking Sector" includes domestic banks, local branches of foreign & mainland Chinese banks, and credit cooperatives.

Remark: (1) The data refer to the total number of foreign banks in Taiwan and are included in the data on " 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 does not include Chunghwa Post.

| 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 increased: Pre-tax earnings of securities firms reached NT$124 billion in 2025, up by approximately NT$7.1 billion, or 6.14 percent, from NT$116 billion in 2024. The increase was mainly attributable to higher proprietary trading and underwriting income as the TAIEX rose.
  - » Stable profitability in the securities investment trust industry: The investment trust industry has maintained stable profitability in recent years. Pre-tax earnings reached NT$29 billion in 2025, up by NT$3.2 billion, or 12.31%, from NT$25.8 billion in 2024. The increase was mainly driven by the expansion of asset management scale, which led to higher fund management fee income.
  - » Stable profitability of futures commission merchants: The pre-tax earnings of futures commission merchants continued to-grow in recent years, reaching NT$9.8 billion in 2025, up by NT$328 million, or 3.46 percent, from NT$9.5 billion in 2024. The increase was mainly attributable to higher gains from the disposal and valuation of proprietary investments in securities.
- Important Indicators

Unit: firm

Item	2020	2021	2022	2023	2024	2025
Number of securities services providers						
Securities firms	105	105	104	102	102	101
Branches of securities firms	848	849	849	828	828	831
Brokers	70	70	68	67	67	66
Dealers	74	74	74	74	74	73
Underwriters	58	58	59	57	57	57
Securities investment trust enterprises	39	39	38	38	38	36
Securities investment consulting enterprises	85	86	86	87	88	89
Number of participating futures firms						
Futures firms	15	15	15	15	15	15
Concurrently operated enterprises	26	26	25	23	24	24
Proprietary traders	32	32	30	28	29	29
Brokers	26	26	26	25	25	25
Futures advisory enterprises	30	30	33	32	35	35
Managed futures enterprises	6	6	5	5	5	5
Introducing brokers	44	43	42	42	42	42
Futures trust enterprises	8	9	9	8	8	8

Indicators of Securities & Futures Market

Unit：firm；NT$Bn

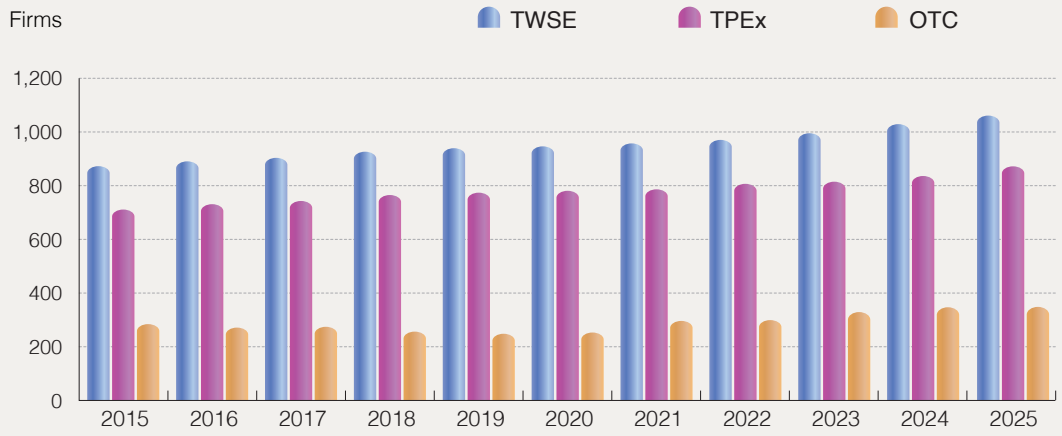
Highlights of Equity Issuance by Public Companies	2020	2021	2022	2023	2024	2025
TWSE listed companies	948	959	971	997	1,031	1,063
Capital issued	7,238.4	7,385.3	7,499.9	7,638.8	7,820.9	7,904.8
Market value	44,903.8	56,282	44,266	56,842.1	73,898.7	94,358.9
TPEx listed companies	782	788	808	816	838	874
Capital issued	742.2	760.9	742	757.9	795.5	826.2
Market value	4,352	5,782.1	4,424.1	5,792.3	6,536.6	7,405.2
Unlisted companies	708	747	785	828	852	873
Capital issued	1,375.5	1,457.6	1,399.7	1,382	1,357.8	1,336.9
Emerging-stock companies*	253	296	299	329	347	350
Capital issued	204.5	189.2	219.3	236.4	232.2	239.7
Market value	749.5	1,123.8	905.3	1,037.6	1,383.2	1,133.1

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

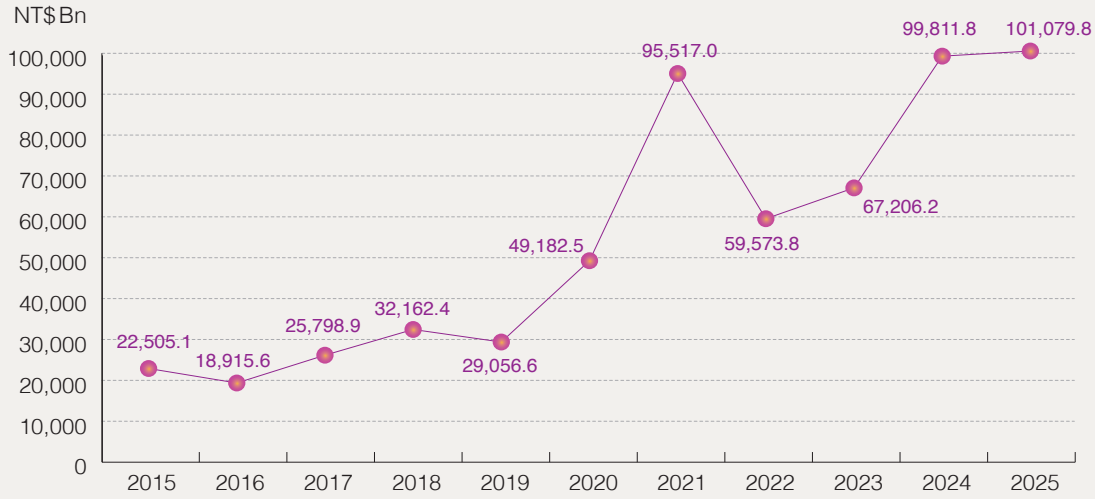
Item	2020	2021	2022	2023	2024	2025
Highlights of securities transactions (NT$Bn)						
Securities trading value on TWSE	49,182.5	95,517.0	59,573.8	67,206.2	99,811.8	101,079.8
Stocks	45,654.3	92,290.0	56,080.6	63,170.3	92,289.0	93,259.3
ETFs	2,838.6	2,454.5	2,938.1	3,454.3	6,724.4	7,255.3
Closed-end funds	0	0	0	0	0	0
Beneficiary securities	11.5	5.3	9.4	36.6	5.3	4.8
Warrants	509.2	681.2	531.2	531.6	712.9	511.6
TDRs	163.3	72.5	10.4	9.3	76.9	47.7
Convertible corporate bonds	0	0	0	0	0	0
Securities trading value on TPEx	53,263.1	49,874.4	45,199.0	47,718.6	58,217.6	59,310.3
Stocks	12,087.1	20,276.0	14,878.7	16,847.4	23,252.4	25,667.5
Warrants	154.6	177.4	133.7	171.8	189.4	155.6
Bonds (including outrights and Repos)	40,604.2	29,171.4	29,956.6	29,461.3	31,495.9	31,389.4
Highlights of Taiwan Futures Market Trading** (Lots)						
Futures and options	341,393,346	392,202,371	384,468,497	324,644,847	395,471,441	381,901,200
Futures	139,151,877	194,453,304	183,312,293	148,125,640	201,703,524	209,940,630
Options	202,241,469	197,749,067	201,156,204	176,519,207	193,767,917	171,960,570
Open interest of futures and options	987,019	1,074,402	952,888	1,135,213	1,136,609	1,221,807
Open interest of futures	571,617	701,785	584,211	704,505	837,794	1,061,153
Open interest of options	415,402	372,617	368,667	430,708	298,815	160,654
Net Foreign Investments in Listed Shares (NT$Bn; %)						
Net foreign investments in Taiwan Stock Exchange (TWSE) shares (NT$Bn)	-609.1	-450.4	-1,089.7	249.0	-583.7	-476.4
Trading value ratio of foreign investments in Taiwan Stock Exchange (TWSE) shares (%)	27.65	24.40	32.63	32.16	35.65	37.49
Net foreign investments in Taipei Exchange (TPEx) shares (NT$Bn)	9.2	-48.6	-52.9	-71.1	-98.9	2.0
Trading value ratio of foreign investments in Taipei Exchange (TPEx) shares (%)	12.06	17.59	20.80	22.26	24.09	24.90

* 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 2025, the total premium income of the insurance industry amounted to NT$2,910.8 billion, an increase of NT$199.3 billion, or 7.3 percent, compared with NT$2,711.5 billion in 2024. Life insurers accounted for NT$183.8 billion of the growth, primarily driven by sales of investment-linked and interest-sensitive policies. Meanwhile, non-life insurers recorded steady growth, with premium income rising by NT$15.4 billion.
  - » Increase in pre-tax profit: In 2025, the insurance industry reported a pre-tax profit of NT$193.7 billion, a decrease of NT$147.8 billion, or 43.3 percent compared with NT$341.5 billion in 2024. Life insurers contributed NT$156.9 billion to the total, a decrease of NT$158.6 billion or 50.3 percent, primarily due to lower net investment gains. Non-life insurers also recorded a pre-tax profit of NT$36.8 billion, an increase of NT$10.8 billion, or 41.5 percent, mainly attributable to improved underwriting performance.

» Expansion of Asset Base: The total assets of the insurance industry increased from NT$37,427.1 billion at the end of 2024 to NT$38,269.1 billion at the end of 2025, reflecting a growth of NT$842 billion. This expansion was largely driven by strong equity and bond market performance, both of which contributed to higher asset valuations.

» Decrease in insurance claims: In 2025, life insurers reported insurance claims totaling NT$2,512.1 billion, a decrease of NT$197.6 billion from NT$2,709.7 billion in 2024, mainly due to lower surrender payments. Meanwhile, non-life insurance claims totaled NT$125.8 billion, an increase of NT$9.4 billion from NT$116.4 billion in 2024, primarily driven by higher claims resulting from natural catastrophe events.

- Important Indicators

Units: firms; NT$Bn; %

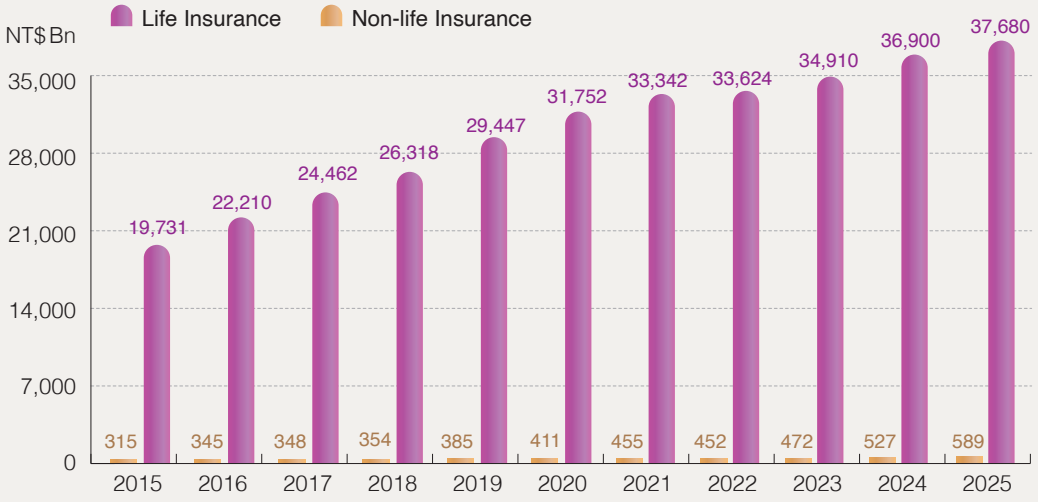
Item	Unit	2020	2021	2022	2023	2024	2025
No. of insurers (based on no. of issued business licenses)	Firms	53	53	52	52	51	51
Domestic non-life insurers (incl. cooperatives)	Firms	17	17	17	17	17	17
Domestic life insurers	Firms	23	23	23	23	23	23
Foreign non-life insurers	Firms	6	6	6	6	5	5
Foreign life insurers	Firms	4	4	3	3	3	3
Domestic & foreign reinsurers	Firms	3	3	3	3	3	3
Overseas branches of domestic insurers	Firms	19	19	20	20	20	20
Non-life insurers	Firms	7	7	8	8	8	8
Life insurers	Firms	12	12	12	12	12	12
Taiwan contact offices of foreign insurers	Firms	7	7	7	7	7	7
Non-life insurers	Firms	3	3	3	3	3	3
Life insurers	Firms	0	0	0	0	0	0
Reinsurers	Firms	4	4	4	4	4	4
Total assets of all financial institutions	NT$ Bn	88,560	93,706	99,716	104,919	112,251	116,276
Total assets of all insurers	NT$ Bn	32,164	33,797	34,076	35,382	37,427	38,269
Total assets of all non-life insurers	NT$ Bn	411	455	452	472	527	589
Total assets of all life insurers	NT$ Bn	31,752	33,342	33,624	34,910	36,900	37,680
Total assets of insurers as share of total assets of all financial institutions (%)	%	36.32	36.07	34.17	33.72	33.34	32.91
Total assets of non-life insurers as share of total assets of all financial institutions (%)	%	0.46	0.49	0.45	0.45	0.47	0.51
Total assets of life insurers as share of total assets of all financial institutions (%)	%	35.85	35.58	33.72	33.27	32.87	32.41
Total premium income as share of GNI (Note 1)	%	16.36	14.30	10.93	9.98	10.15	9.87
Premium income	NT$ Bn	3,352	3,179	2,556	2,433	2,712	2,911
Premium income of non-life insurers	NT$ Bn	188	207	221	245	271	287
Premium income of life insurers	NT$ Bn	3,164	2,971	2,334	2,188	2,440	2,624
Premium income of non-life vs. life insurers		1:16.82	1:14.32	1:10.55	1:8.94	1:8.99	1:9.15

Item	Unit	2020	2021	2022	2023	2024	2025
Annual increase in premium income of non-life insurers	%	6.20	10.28	6.63	10.65	10.90	5.67
Annual increase in premium income of life insurers	%	-8.73	-6.10	-21.43	-6.27	11.53	7.53
Annual increase in premium income of foreign non-life insurers	%	9.96	9.32	9.61	10.07	9.84	9.80
Annual increase in premium income of foreign life insurers(Note 2)	%	2.85	4.66	3.87	1.58	2.28	2.78
Non-life insurance market concentration ratio	%	61.34	61.30	61.51	61.52	61.97	61.38
Life insurance market concentration ratio	%	68.21	64.60	63.85	63.37	61.74	59.10
Insurance losses	NT$ Bn	1,963	2,013	2,469	2,593	2,826	2,638
Insurance losses on non-life insurers	NT$ Bn	90	95	300	187	116	126
Insurance losses on life insurers	NT$ Bn	1,873	1,918	2,169	2,405	2,710	2,512
Insurance density	NT$	142,271	135,979	109,848	103,871	115,879	124,931
Non-life insurance density	NT$	7,984	8,875	9,508	10,451	11,600	12,311
Life insurance density	NT$	134,287	127,104	100,340	93,421	104,279	112,620
Insurance penetration	%	16.83	14.67	11.27	10.31	10.61	10.14
Non-life insurance penetration	%	0.94	0.96	0.98	1.04	1.06	1.00
Life insurance penetration (%)	%	15.89	13.71	10.29	9.27	9.55	9.14
New life insurance contracts	1,000 contracts	49,574	44,598	43,034	48,928	48,287	47,851
Insured amount of new life insurance contracts	NT$ Bn	30,675	25,352	27,405	36,293	38,215	38,172
Life insurance contracts in force (individuals)	1,000 contracts	53,799	53,913	53,779	53,684	53,392	53,261
Insured amount of life insurance contracts in force (individuals)	NT$ Bn	43,974	45,145	45,983	46,854	48,504	49,095
Take-up rate for life & annuity insurance	%	260.49	264.81	266.08	263.53	262.68	263.20
Prevalence ratio of life & annuity insurance	%	291.14	275.91	268.65	269.75	253.01	230.87
Avg. dividend interest rate on life insurance	%	0.88	0.81	1.13	1.59	1.72	1.75

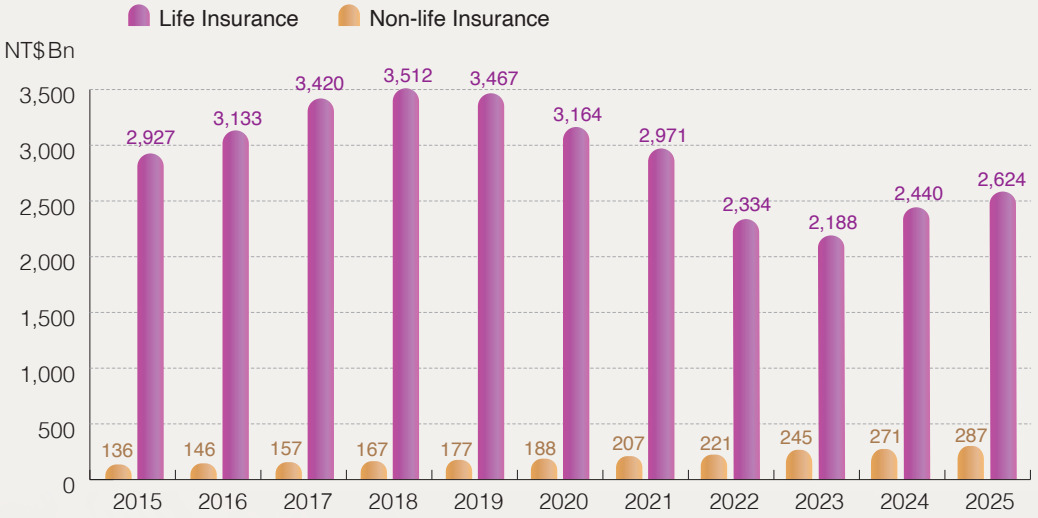
Note 1: Taiwan's Directorate-General of Budget, Accounting and Statistics (DGBAS) switched in 2014 from the term Gross National Product (GNP) to Gross National Income (GNI) for the purpose of international comparison. In coordination with this switch, the item in this table that formerly read "Total 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 |



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