

2019-2020
Annual Report

The FSC promotes innovation and openness,
pursues financial inclusion, and
connects to the world.



FSC

Financial Supervisory Commission, Taiwan



FSC

2019-2020
Annual Report

FSC

Financial Supervisory Commission, Taiwan

2019-2020

Annual Report

Financial Supervisory Commission, Taiwan

CONTENTS

04

Chairperson's Statement

10

Duties and Organization

14

Important Achievements

- 16 Promoted FinTech and financial innovation
- 20 Facilitated financial product diversification and supported the real economy
- 23 Financial deregulation and liberalization
- 25 Enhanced corporate governance and created an internationalized investment environment
- 26 Improved the effectiveness of financial supervision
- 29 Promoted CSR
- 32 Facilitated sound development of the capital markets
- 34 Implementation of anti-money laundering measures in financial institutions
- 35 Attended international conferences and promoted international exchange activities
- 41 Important amendments of regulations

46

Future Outlook

- 48 Encourage FinTech innovation and develop RegTech
- 48 Expand international financial services and allow variety of financial products
- 49 Build Taiwan as a regional wealth management center -New Wealth Management Scheme
- 50 Continue to strengthen corporate governance
- 50 Implement financial supervision
- 51 Protect consumer interests and implement financial inclusion
- 51 Optimization of the capital markets
- 52 Strengthen financial institutions' anti-money laundering measures
- 52 Attend international conferences and promote international exchange activities
- 53 Important amendments of regulations

54

Appendices

- 56 FSC management team
- 58 Financial statistics overview



金融監督管理委員會
FINANCIAL SUPERVISORY COMMISSION





Chairperson's Statement

To spur sustainable development of the financial industry, and to build financial markets that are friendly, innovative, fair, and open, the Financial Supervisory Commission (FSC) over the past year has actively supported FinTech development, amended financial legislation, and expanded and deregulated financial services in order to encourage innovative development of the financial industry. At the same time, the FSC is working to safeguard consumer interests and enhance financial supervisory systems. In addition, in an effort to continue building up international supervisory cooperation, I myself have led delegations to Europe and Australia to discuss the latest trends and supervisory issues with the financial authorities there. The FSC has signed a financial supervisory cooperation agreement with the Swiss Financial Market Supervisory Authority (FINMA), and a FinTech cooperation agreement with the French Prudential Supervision and Resolution Authority (ACPR). In 2019, the International Association of Insurance Regulators (IAIS) selected the FSC as the Vice Chair of its Implementation and Assessment Committee (IAC), and the FSC was elected as a board member of the International Forum of Independent Audit Regulators (IFIAR). All these developments will help to raise Taiwan's international profile and enhance ties with international financial bodies. The following are some of the more important measures taken by the FSC in 2019:

FinTech: The FSC approved a number of FinTech experiments, including pilot projects involving small-amount cross-border wire transfers and the use of blockchain technology for interbank account transfers. Such experiments have given FinTech operators and financial service firms opportunities to test innovative ideas. In addition, the FSC expanded the size of the FinTech Taipei exhibition to bring Taiwan's FinTech accomplishments to international attention, and granted permission for the establishment of three internet-only banks, which are scheduled to begin providing highly inclusive financial services in the latter half of 2020. These new banks will further promote the development of digital financial services. The FSC also took steps to further improve its digital auditing capabilities, and implemented a plan for further incorporation of electronic methods into its financial examinations. These steps were taken to meet supervisory needs that have arisen as the result of FinTech developments.

Diversification of financial products: The FSC established a system for the issuance of Sukuk certificates in Taiwan, thus attracting a diverse range of foreign issuers to participate

in Taiwan's international bonds market, and raising the international visibility of Taiwan's markets; continued to promote the Green Finance Action Plan to help green industrial firms obtain funding, thus doing its part to protect the environment; encouraged securities firms and futures commission merchants to develop innovative new products (e.g. exchange traded notes, offshore Nasdaq-100 index futures, and TPEX 200 Futures) that will offer greater selection and stimulate more active trading; launched an Experimental Project for Self-Directed Pension Investments to encourage investors to plan for retirement and take charge of their own retirement finances; and began allowing insurance enterprises, insurance agents, and insurance brokers to join with incidental insurance channels in conducting cooperative marketing of associated insurance products, thereby meeting the needs of consumers and expanding insurers' business scope.

Enhancement of corporate governance: The FSC promoted the launch of corporate governance indexes and sustainability indexes to encourage investors to direct their funds toward profitable domestic firms that

are serious about ethical business practices and sustainable development; required the appointment of a chief corporate governance officer, required TWSE- and TPEX-listed firms to establish an audit committee, and required companies that trade on the Emerging Stock Board to appoint independent directors and adopt rules governing avoidance of conflicts of interest involving directors, supervisors, and company presidents (thus strengthening the functions and independence of boards of directors); required TWSE- and TPEX-listed firms to make disclosures in English to make it more convenient for foreign investors to access company information, thus giving TWSE- and TPEX-listed firms a higher international profile and making them more internationally competitive; required TWSE- and TPEX-listed firms to disclose information about employee salaries and attach importance to employee interests, thereby fulfilling a corporate social responsibility; and amended the "Securities and Exchange Act" to provide stricter requirements regarding compliance with corporate governance legislation.

More effective financial supervision: The FSC designated five domestic systemically

important banks (D-SIBs) and charged them with commensurate capital adequacy requirements and risk management responsibilities in order to strengthen the risk management capabilities of these market-leading domestic banks; worked to implement risk-based internal audit systems by guiding domestic banks through a two-step process of applying to institute a risk-based internal audit system, thus guiding banks to effectively improve their internal audit functions; urged life insurers to adopt IFRS 17 in accordance with the prescribed schedule; and asked the Taiwan Insurance Institute and other related entities to establish an IFRS 17 conversion taskforce to help Taiwan's insurers to complete the conversion to international practices.

Stronger financial consumer protections: In 2019, the FSC launched a system for assessment of implementation by financial institutions of the Principles for Fair Treatment of Consumers, which includes the granting of special recognition to institutions that perform especially well (thereby encouraging financial institutions to incorporate the fair treatment principles into their corporate culture); launched a pilot program designed to enable members of the public to conveniently inquire about financial assets held

by deceased family members; encouraged bank employees to improve their mastery of English and create an environment conducive to the provision of bilingual financial services, with the result that 16 domestic banks are now planning to open 27 pilot bilingual branches; asked the Financial Ombudsman Institution to draft financial literacy teaching materials targeted specifically to the needs of senior citizens; adopted a set of "Principles for Prevention by Banks of Embezzlement by Wealth Managers of Customer Funds" in order to put a stop to such abuses; vigorously implemented gender-equality policies to incorporate gender-equality concepts broadly throughout corporate culture, and received a second consecutive award from the Executive Yuan for superior performance in the promotion of gender equality; and established a system of stepped discounts on ATM fees for small-amount interbank transfers, raised the limit on maximum coverage under micro whole life insurance policies, and allowed for a wider scope of coverage under residential fire insurance and personal injury insurance, thereby providing stronger safeguards for the interests of consumers.

Anti-money laundering: To prepare for the most recent evaluation of Taiwan's anti-money

laundering regime by the Asia/Pacific Group on Money Laundering (APG), the FSC worked in concert with the Executive Yuan and other central government agencies to oversee efforts by financial institutions to conduct their anti-money laundering and terrorist financing (AML/CFT) work, with the result that Taiwan was placed on the APG's "regular follow-up" list, which was the most favorable rating accorded to any APG member; and to minimize the inconvenience posed to customers by banks' know-your-customer procedures, the FSC also decided to allow banks to adopt simplified procedures for low-risk customers.

International exchange activities: The FSC joined the Global Financial Innovation Network (GFIN) in May 2019 to cooperate with other financial supervisory authorities from around the world in promoting financial innovation; took active part in the Annual Conference of the International Organization of Securities Commissions (IOSCO), the International Association of Insurance Supervisors (IAIS) Committee Meetings, as well as international conferences and symposiums held by the Asian Forum of Insurance Regulators (AFIR) and the Access to Insurance Initiative (A2ii), thus contributing Taiwan's experience and

identifying chances for further international supervisory cooperation; and the FSC was named the Asia Risk Awards "Regulator of the Year in 2019," a clear indication that the FSC enjoys considerable international prestige for the effective work it has done in recent years to bring about better risk management at financial institutions in Taiwan.

Looking ahead, the FSC intends to adhere to the principles of "open innovation, financial inclusion, and international harmonization" as it pushes ahead with its work, which will include the following measures: the New Wealth Management Scheme; continue promoting "open banking" services; launch continuous trading and intraday odd-lot trading systems; assist insurers in their IFRS conversion efforts; and enhance the accessibility of

microinsurance. Hopefully, by further amending Taiwan's financial legislation, we can make our financial institutions more competitive and provide consumers with financial services that are more varied, of better quality, and more convenient. In addition, the FSC will continue working to strengthen corporate governance, legal compliance, prudential supervisory measures, and international exchange and cooperation, thereby maintaining financial order and stability at a level that will ensure stable growth in financial markets even as they offer flexibility and vigorous trading activity.

Wellington L. Koo

Chairperson

Editor's Note: Chairperson Wellington L. Koo was promoted to be the Secretary General of the National Security Council on May 20, 2020. Dr. Tien-Mu Huang was sworn in as the new Chairperson on the same day.



The FSC chairmanship handover ceremony was held on May 20, 2020.



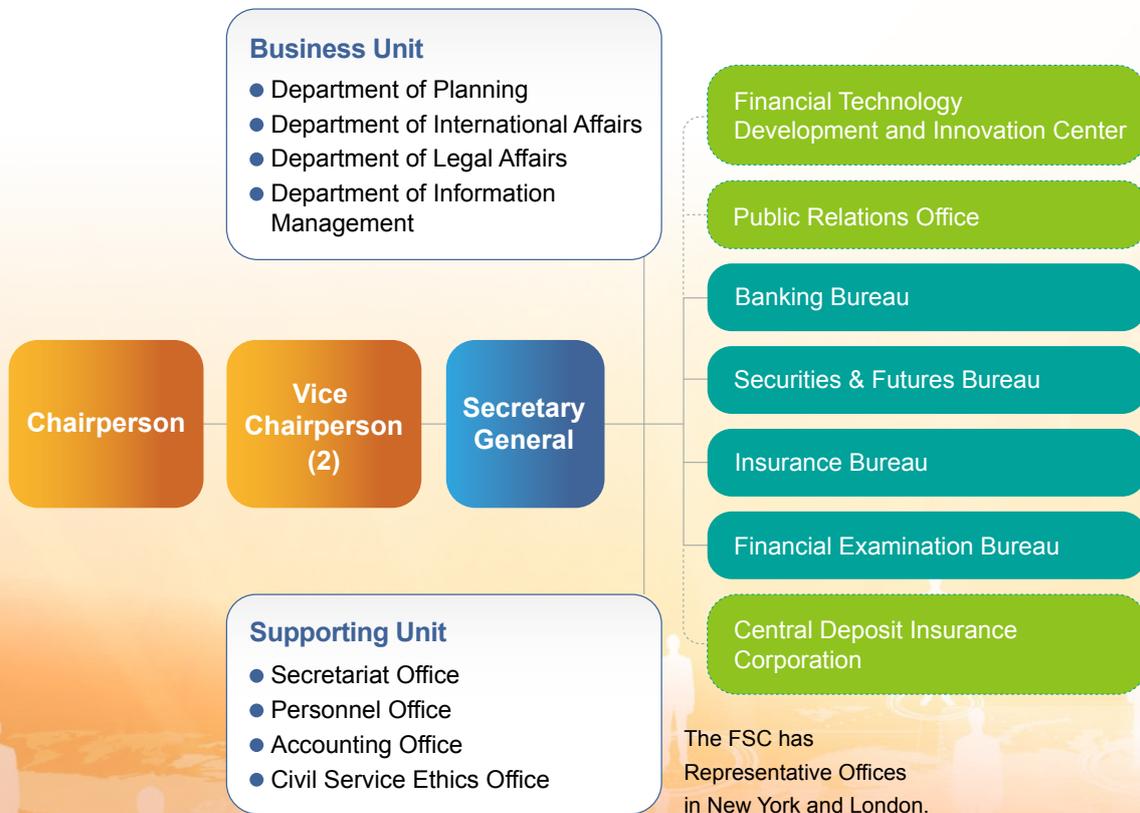


Duties and Organization

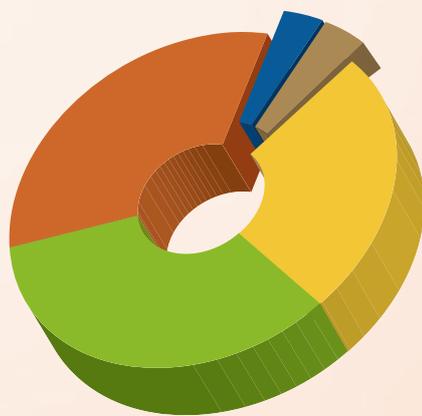
Duties and Organization

The FSC was established on 1 July 2004 as the competent authority with overall responsibility for supervising, regulating, and facilitating the development of financial markets and financial services in Taiwan, and for conducting financial examinations. The FSC seeks to ensure the sound operation of financial institutions, maintain financial stability, and promote the development of our financial markets. It exercises its supervisory duties independently in accordance with the law, and within the scope of its authority will continue working to promote various financial development policies and carry out financial supervision.

● Organization

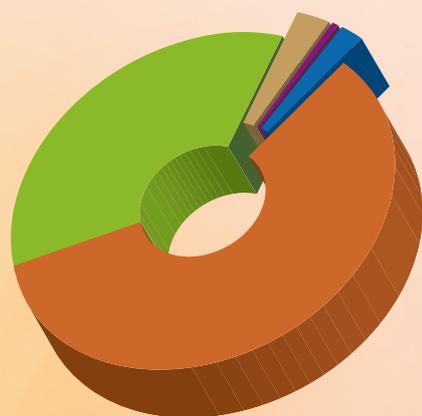


● **Personnel**



- 4.17% ● Age 29 or younger
- 25.82% ● Age 30-39
- 34.84% ● Age 40-49
- 31.79% ● Age 50-59
- 3.38% ● Age 60-65

● **Academic background of employees at FSC headquarters and the four Bureaus**



- 2.48% ● PhD
- 59.19% ● Master's degree
- 34.95% ● Bachelor's degree
- 2.93% ● Junior college
- 0.45% ● High school



Important Achievements

- Promoted FinTech and financial innovation
- Facilitated financial product diversification and supported the real economy
- Financial deregulation and liberalization
- Enhanced corporate governance and created an internationalized investment environment
- Improved the effectiveness of financial supervision
- Promoted CSR
- Facilitated sound development of the capital markets
- Implementation of anti-money laundering measures in financial institutions
- Attended international conferences and promoted international exchange activities
- Important amendments of regulations

Important achievements

● Promoted FinTech and financial innovation

» Promoted financial technology innovation experimentation mechanism

The "Financial Technology Development and Innovative Experimentation Act" was implemented on April 30, 2018. As of the end of 31 Dec. 2019, 12 applications for innovation experiments were received. Among them, 7 were approved, 2 were rejected, and 3 were under review.

» FinTechSpace startups incubation

The FSC instructed the Taiwan Financial Service Roundtable (TFSR) to found the FinTechSpace to foster FinTech startups by providing them with initial operating resources. As of the end of 2019, 40 startups had located in the FinTechSpace. Its regulatory clinic assisted 44 startups. The digital sandbox recruited 14 financial institutions and securities entities offering application program interface for innovation R&D. In terms of international connections, the FinTechSpace has entered into FinTech MOUs with the UK, Australia, Poland, and France.



FSC Chairperson Wellington L. Koo attended FinTechSpace's 1st Anniversary Celebration event held on September 16, 2019.



President Tsai Ing-wen, Executive Yuan Vice Premier Chen Chi-mai, and FSC Chairperson Wellington L. Koo attended the opening ceremony of "FinTech Taipei 2019" on November 29, 2019.

» **Expansion of FinTech Taipei Exhibition**

The 2nd FinTech exhibition, "FinTech Taipei 2019," held on Nov. 29 and 30, 2019 was jointly hosted by the TFSR and the Taiwan Academy of Banking and Finance (TABF) under the FSC's instruction. The 2019 exhibition was 1.5 times larger than that of 2018, and it drew more than 48,000 visitors and 240 exhibitors from 13 countries or regions, including 5 FinTech unicorns from the United Kingdom and the United States. FinTech Taipei 2019 took "Future beyond FinTech," as its theme, and featured an International Forum on FinTech, a FinTech Expo, and Demo Shows/Startup matchmaking. The exhibition closely connected with the international FinTech industry, showcased Taiwan's financial technology development and achievement to the world, and assisted the industry to seek business opportunities and cross-industry cooperation.



President Tsai Ing-wen, Executive Yuan Vice Premier Chen Chi-mai, and FSC Chairperson Wellington L. Koo attended the opening ceremony of "FinTech Taipei 2019" on November 29, 2019.

» **FinTech Talent Incubation Program**

The "FinTech Talent Incubation Program" has trained more than 4,000 future and existing professionals since its inception. The program was run by the TFSA and offered a variety of sub-programs designed for college students, existing financial service professionals, and future seed trainers. Sub-programs included the FinTechSpace Campus Apprentice, the FinTech Elite Training Program, the Seed Trainer's Workshop, the College Talent Program, as well as an online FinTech Introductory Course.



FSO former Vice Chairperson Chuang-Chang Chang attended the kick-off ceremony of FinTechSpace Campus Apprentice on July 2, 2019.

» **Relaxed restrictions on the range of services that banks can conduct online**

The FSC now allows banks to apply for approval to conduct 10 types of services online, including execution of loan agreements by new account holders, online applications for personal loans involving guarantors, and online applications for fund transfers to non-designated accounts, etc.

» **The introduction of Open Banking**

The FSC has encouraged financial institutions to launch open banking services according to their business strategies and needs in a voluntary and self-regulated way. Open banking has been developed in the following three stages: "access to open data," "access to aggregated data," and "access to transactional data." The first stage was launched successfully in September 2019.

» **Facilitating utilization and innovation of mobile payments**

Domestic financial institutions have been actively leveraging new technology, and promoting various mobile payment services, including mobile credit cards, mobile ATM cards, mobile electronic stored valued cards, and the online to offline (O2O) services

of electronic payment institutions. As of the end of March 2020, the total transaction amount was about NT\$ 231.8 billion (USD 7.76 billion).

» **Granted approvals to set up internet-only banks**

The FSC announced on July 30, 2019 that three applicants had been granted approvals to establish internet-only banks. The three internet-only banks are expected to open for business by the end of 2020, thus enhancing financial inclusion.

» **Pilot Programs**

The FSC promulgated the "Operation Directions Governing Banks' Applications for Pilot Programs" to encourage financial institutions to develop new financial products and services through pilot programs. Program participants are required to ensure proper control of risks. As of the end of 2019, the FSC had approved 7 pilot programs.

» **Security Token Offerings (STOs) are now allowed**

The FSC issued an order on July 3, 2019 stipulating that virtual currencies with the nature of securities shall be deemed "securities" as defined by the Securities and Exchange Act. The FSC also issued STO regulations in response to investment and transaction patterns of FinTech innovation.

» **Promotion of conduct by insurance enterprises of online insurance business**

The FSC has allowed new types of life insurance products, new methods for verification of customer identity, new life insurance online services, and new methods of property insurance product renewal so that insurers no longer need to conduct a telephone interview to verify the customer's identity. In addition, the FSC has raised the maximum insured amount with travel insurance for new customers.

» **Steps to improve the auditing of digital finance**

The FEB has set up an audit taskforce and has established an "information security testing training room."

» **Steps to strengthen the information security audits**

The FEB not only hires computer auditors and FinTech-background staff, but also recommends examiners to attend related training courses from time to time.

» **Promotion of e-financial examinations project**

- Establishment of online data submission function.
- Establishment of mobile office operations.
- In order to enhance the effectiveness of existing examiners, the FEB will prepare budget to purchase auditing software and related inspecting tools year by year.

» **Optimization of the financial supervisory reporting system**

In order to strengthen the safety and automation of online regulatory reporting, the FEB has notified domestic banks that the automatic declaration by API (application programming interface) approach was introduced on 1 January 2020.

● **Facilitated financial product diversification and supported the real economy**

» **To help Key Innovative Industries obtain working capital, the FSC has been carrying out the Program to Encourage Lending by Domestic Banks to Enterprises in Key Innovative Industries.**

» **To help SMEs obtain working capital, the FSC continues to carry out the Program to Encourage Lending by Domestic Banks to SMEs.**

» **Establishing the SME Financing Service Communication Platform**

To effectively assist SMEs in obtaining operating funds and developing innovative enterprises and FinTech, the Banking Bureau, FSC, the Small & Medium Enterprise Administration (SMEA), MOEA, the Bankers Association of the Republic of China (Bankers Association), and the Small & Medium Enterprise Credit Guarantee Fund of Taiwan (SMEG) have established the SME Financing Service Communication Platform.

» **Banks are allowed to grant loans to non-discretionary money trust customers who pledge their beneficiary rights as collateral.**

» **Assisting overseas Taiwanese companies to list in Taiwan**

To support the New Southbound Policy, the FSC has actively promoted the program of "counseling overseas Taiwanese companies to use domestic capital market to raise funds."



FSC Vice Chairperson (current Chairperson) Huang attended "2019 Taipei Asset Management Industry Seminar" held by the Securities and Futures Institute (SFI) on March 27, 2019.

From 2017 to 2019, TWSE and TPEX held 25 roadshows in New Southbound countries, including Malaysia, Singapore, Vietnam, Thailand, Australia, Indonesia, and Cambodia.

» **The FSC approved Sukuk issuance regulations. The first Sukuk was listed and issued on February 7, 2020. The issuance amount was US\$800 million.**

» **Promoting the Green Finance Action Plan**

- "The Program to Encourage Lending by Domestic Banks to Enterprises in Key Innovative Industries (Phase 3)" has effectively assisted green energy technology enterprises to obtain financing. As of the end of 2019, the balance of loans by domestic banks to green energy technology enterprises exceeded NT\$1.1 trillion.
- The FSC relaxed the regulatory limits on bank's unsecured credit extended to a same juristic person to take into consideration the credit supports, including guarantees or insurance, offered by international credit guarantee institutions. This measure has assisted renewable energy firms (such as offshore wind power firms) to resolve their large working capital needs by obtaining financing from banks.
- Promoted the development of Taiwan's green bond market and helped green firms obtain financing: As of the end of 2019, 37 green bond issues raised a total of issuance NT\$ 104.1 billion in capital.



FSC Chairperson Wellington L. Koo attended the 2019 Taipei Green Bond International Conference on November 6, 2019.

- Encouragement for insurance enterprises to invest in the green-energy industry: The FSC approved insurance enterprises to invest NT\$ 15.059 billion in 10 renewable energy power plants, including 2 life insurance companies' investment of NT\$ 4.2 billion in wind power plants.

» **Companies listed on TWSE, TPEX, ESM and GISA**

The FSC provided diversified financing channels for companies of different sizes to assist with their development. As of the end of 2019, there were 942 companies listed on the TWSE, 775 on the TPEX, 248 on the ESM, and 90 on the GISA.

» **Encouraging securities and futures business to develop innovative products**

- The FSC has decided to allow securities firms to issue Exchange Traded Notes (ETNs). The first ETN listing took place on April 30, 2019, and nine securities firms had issued 15 ETNs as of the end of 2019, with total turnover volume of NT\$ 2.649 billion.
- The Taiwan Futures Exchange (TAIFEX) launched 2 new futures contracts (TPEX 200 Futures and Nasdaq-100 Futures) on October 1, 2019 to provide more hedging and transaction channels.



FSC former Vice Chairperson Chuang-Chang Chang spoke at the listing ceremony for TPEX 200 Futures, Nasdaq-100 Futures, and ETNs on October 1, 2019.

» **Encouragement for insurance enterprises to develop various insurance products**

- Encouraged insurance enterprises to develop various insurance products to meet people's needs. In 2019, the FSC approved the sale of "Electric Scooter Usage-Based Insurance" and "Cruise Travel Insurance".
- To assist the Council of Agriculture in promoting agriculture insurance, the FSC reviewed agriculture insurance products proactively. In 2019, the FSC approved "pomelo," "banana," "persimmon," "guava," "date," and "lychee" insurance products. The FSC continues to encourage insurance enterprises to develop various agriculture insurance products in line with government policy to meet farmers' needs.

- » Encouraged insurance enterprises to invest in the long-term care industry and real estate to provide rental property to senior citizens.
- » Encouraged insurance enterprises to invest in 5+2 industries.
- » Encouraged insurance enterprises to invest in public infrastructure.

● Financial deregulation and liberalization

- » In order to expand the business scope of credit cooperatives providing non-member credit business, the FSC amended the "Criteria for Transaction Limits between Credit Cooperatives and Non-Members" to allow a credit cooperative to provide: (a) loans and escrow services for pre-sale houses; and (b) real estate transaction to non-members who can offer their savings accounts as collateral.
- » The FSC amended the "Rules Governing Applications by Banks to Concurrently Conduct the Underwriting and Trading of Bonds, Beneficiary Securities, and Asset-Backed Securities." The limitation on banks' (including OBUs) holdings of any single bond changed from the previous limit (20% of concurrent operation capital) to 10% of the calculation basis (i.e. net worth) of the commercial bank.
- » The FSC amended the "Regulations Governing Internal Operating Systems and Procedures for the Outsourcing of Financial Institution Operation" to allow financial institutions to make appropriate use of cloud services.
- » **Issued the "Regulations Governing the Financial Investment, Management, and Utilization of Repatriated Offshore Funds"**
For offshore funds remitted to a foreign exchange deposit account, the account holder may withdraw up to 25% of the after-tax fund and deposit it in a trust account or discretionary account for investment in financial instruments. This measure is designed to encourage individuals and profit-seeking enterprises to repatriate offshore funds to Taiwan's financial markets, thereby increasing the assets under management by Taiwan's financial industry (particularly its wealth management and asset management firms).
- » **Further reviewed and adjusted the "Incentive Policy for Onshore Funds" and the "Incentive Policy for Offshore Fund Development in Taiwan".**
- » **Decided to allow professional investors to invest in privately placed offshore funds through trust enterprises under non- discretionary trust of money agreements.**

» **Implemented the "Experimental Project for Self-Directed Pension Investments"**

To promote the idea of personal retirement saving and to educate investors on the risks of making their own investments, TDCC and FundRich Securities Co. proposed to launch a pilot scheme on FundRich's platform.



FSC Chairperson Wellington L. Koo and SFB former Director-General Rosemary Y.H. Wang attended a press conference for the launch of the Project for Self-Directed Pension Investments on April 11, 2019.

» **Amended the "Regulations Governing Loaning of Funds and Making of Endorsements / Guarantees by Public Companies"**

The amended provisions increase the flexibility of capital deployment and utilization between members of a single corporate group, and make more financing channels available to small and medium-sized enterprises.

» **Amended the "Regulations Governing Futures Clearing Houses"**

The amended provisions designate the TAIFEX as a futures clearing house for mandatory clearing of over-the-counter (OTC) derivatives.

» **Amended the "Regulations Governing Futures Trust Funds" to simplify the review process for the launch of futures trust funds.**

» **Amended the "Directions for Operation Outsourcing by Insurance Enterprises".**

» **Decided to allow insurance enterprises to invest in ETNs issued by domestic securities firms.**

» **Decided to allow insurance enterprises to cooperate with non-insurance enterprises to promote insurance products.**

» **Created the allowable range of foreign investments for insurance enterprises**

The FSC decided to allow insurance enterprises to invest in: (a) Sukuk certificates issued by foreign issuers on the international bonds professional board in Taiwan; and (b) privately placed corporate bonds that have been issued by foreign listed companies and are not traded on any foreign centralized securities market or OTC market.

● **Enhanced corporate governance and created an internationalized investment environment**

» **Performance in implementation of the Corporate Governance Roadmap**

To enhance the international competitiveness of Taiwan's capital markets, the FSC has launched a new 3-year Corporate Governance Roadmap. To achieve the vision of further building up a culture of commitment to corporate governance, and to create an investment-friendly environment, the FSC proposes to address the following five need: enhancement of corporate governance; enhancement of board functions; promotion of shareholder activism; strengthening of information transparency; and augmentation of regulatory enforcement. Toward that end the main measures are as follows:

- Promoted the CG 100 Index and the Taiwan ESG Index.
- Required companies to appoint a chief corporate governance officer.
- Required all TWSE/TPEX listed companies to establish an audit committee, and require emerging stock companies to appoint independent directors.
- Amended the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" to enhance independence of independent directors.
- Promoted the candidate nomination system for the election of directors and supervisors from 2021 to coordinate with the adoption of e-voting systems in 2018.
- Strengthened English-language information disclosure requirements.
- Required disclosure of employee remuneration information for all TWSE/TPEX listed companies.
- Amended the "Securities and Exchange Act" to strengthen the enforcement of corporate governance legislation.



FSC Chairperson Wellington L. Koo attended the "5th Corporate Governance Evaluation Awards Ceremony" on May 28, 2019.

- » Promoted greater transparency regarding the major shareholders and equity ownership structure of financial holding companies and banks.
- » Adopted the principle that bank's directors or supervisors are allowed to concurrently act as responsible persons of other financial institutions.
- » Required securities firms and futures commission merchants to appoint chief corporate governance officers at management level.
- » Promoted corporate governance through a variety of measures, such as strengthening the independence and capability of independent directors and requiring the hiring of corporate governance officers.

● Improved the effectiveness of financial supervision

- » The FSC designated CTBC Bank, Cathay United Bank, Taipei Fubon Commercial Bank, Mega International Commercial Bank, and Taiwan Cooperative Bank as domestic systemically important banks (D-SIBs).
- » Implemented the risk-oriented internal auditing system.
- » Implemented targeted financial examinations.
- » Strengthened communication with financial institutions and other supervisory authorities.

- » **Strengthened the transparency of examination information.**
- » **Held a briefing session on the information security of domestic banks.**
- » **Facilitated the adoption of IFRSs**
 - Encouraged insurance enterprises to strengthen risk management.
 - Worked to establish a profit distribution mechanism that will enable life insurers to dispose of debt instruments for profit.
 - Strengthened reserve requirements to align with international standards.
 - Improved the transparency of financial reporting.
- » **Strengthened the foreign exchange valuation reserve mechanism to assist life insurers to properly respond to exchange rate risk.**
- » **Improved the reasonableness of premium rates for personal injury insurance and health insurance products whose coverages are less than one year.**
- » **Strengthened the quality of insurance enterprises' capital to put them on strong financial footing.**
- » **Incorporated countercyclical capital measures into the risk-based capital (RBC) system.**
- » **Worked to bring the new solvency regulation system of insurance enterprises more closely in line with international standards.**
- » **Strengthened regulatory measures for systemic risk.**
- » **Regularly reviewed the new contract liability reserve rate to reflect market interest rates in a timely manner, so as to enhance the solvency of life insurers.**
- » **Strengthened regulation of insurers' information systems.**
- » **Strengthened insurers' risk tolerance.**
- » **Strengthened insurers' investment risk management.**
- » **Amended the "Directions for Micro-whole-life Insurance".**

» **Strengthened insurers' foreign investment risk management.**

» **Built a financial cyber security joint defense system**

- The FSC has established the "Financial Information Sharing and Analysis Center" (F-ISAC) to facilitate enhanced cyber security as well as early alert, mutual defense, and response to security threats. F-ISAC gathers and analyzes cyber security intelligence from around the world.
- F-ISAC has acted on its own initiative to exchange and share security intelligence with foreign counterparts by becoming a member of the U.S. FS-ISAC in March 2019 and signing an MOU with Financials ISAC Japan on October 22, 2019.
- F-ISAC participated in the "2019 Cyber Offensive and Defensive Exercise" organized by THE Executive Yuan, in which the FSC assembled and trained a team of banks to play defense. This involvement helps the team accumulate the experience needed to assemble cyber security response units within their organizations.
- F-ISAC organized the "2019 Distributed Denial-of-Service (DDoS) Exercise for Financial Institutions" to test the financial sector's ability to defend against DDoS attacks, and offered suggestions based on the outcome.



Executive Yuan, the FSC, and AIT co-hosted the opening of "2019 Cyber Offensive and Defensive Exercise" on November 6, 2019.

● Promoted CSR

» Mechanism for assessment of the "Treating Customers Fairly Principles" (the "TCF Principles")

- The assessment indices address three aspects, i.e., how financial service institutions put the TCF Principles into practice, financial customer disputes, and daily financial supervision. There are 10 appraisal items, including 9 main TCF Principles, as well as one additional item regarding "how the directors' meetings value the TCF Principles and actual practices".
- 2019 was the the first year in which the FSC assessed financial service institutions' practice of TCF Principles, and hence the FSC adopted the motivational method. The FSC announced and awarded the financial institutions that scored in the top 20% of the assessment, and arranged for award winners to share with peer institutions their experiences in the execution of TCF Principles.

» Rolled out a pilot program to streamline inquiries regarding possible inheritance of financial assets.

» Initiatives to enhance financial education and financial literacy

- The FSC launched its first three-year "Financial Literacy Program" in 2006, and the fifth program is running from 2018 to 2020. It provides a wide range of basic financial education and information through new types of activities to enhance consumers' financial knowledge.



The FSC held the 2019 Securities Firms' Liaison and Recognition Meeting for the Treating Customers Fairly Principles assessment program on August 16, 2019. The purpose was to commend the securities firms that have performed the best on this front.

- In order to increase the effectiveness of its financial literacy efforts, the FSC set October 28 to November 3, 2019 as "2019 Taiwan Financial Week", and instructed the TFSR to organize various financial literacy activities in collaboration with various financial industry self-regulatory organizations.



FSC Chairperson Wellington L. Koo attended the Donation Ceremony of the "2019 Financial Service Caring Charity Carnival" (Hsinchu) on November 2, 2019.

- The FSC continued to carry out its School and Community Financial Literacy Campaign. The FSC held a total of 538 financial literacy promotion activities in its 2019 School and Community Financial Literacy Campaign. A total of 58,602 participants attended the events. The target participants include students at all levels of schools, communities, women's groups, indigenous people, immigrants, and military service personnel. As of the end of September 2019, a total of 6,179 sessions had been held and over 1 million people had attended at a wide range of venues, including Nantou Guanghua Elementary School. In December 2019, a micro film entitled "Millions of Success, Thank You" was released with financial literacy promotion as the main focus.



FSC Chairperson Wellington L. Koo and former Director General Jean Chiu of the FSC Banking Bureau (current Vice Chairperson) attended a "2019 School and Community Financial Literacy Campaign" event in Nantou Guanghua Elementary School on 30 September 2019 to celebrate the landmark of exceeding 1 million attendees the program.

- 》 Enriched the contents of the MoneyWise website.
- 》 Enhanced protections for the interests of joint guarantors.
- 》 To follow the "Blueprint for Developing Taiwan into a Bilingual Nation by 2030" strategy, the FSC has encouraged banks to enhance their staff's English proficiency and create a friendly bilingual financial service environment.
- 》 Introduced tiered preferential measures for small amount interbank transfer fees.
- 》 Enhanced the internal control measures of banks concurrently operating insurance brokerage and agency business.
- 》 Encouraged banks to provide commercial reverse mortgage services.
- 》 Amended the "Directions for Micro-whole-life Insurance" to increase the maximum insured amount.
- 》 Amended the Standard Form Contract for Personal Automobile Insurance.
- 》 Improved the services provided by insurance enterprises to policyholders.



The FSC held an awards ceremony on 5 December 2019 to recognize insurance enterprises that performed outstandingly in supporting FSC policy objectives.

- » Encouraged insurance enterprises to provide quick claim settlement for victims of major accidents.
- » Strengthened insurance enterprises' management of insurance solicitors.
- » Approved expansion of the scope of residential fire insurance coverage.
- » In order to expand the scope of coverage of accident insurance, the FSC approved an amendment of the Disability Level and Insurance Payment Table.
- » To promote the Financial Basic Education Project, the FSC provided teaching materials for financial basic education in 2019 and will continue to organize teaching and training workshops.



On 22 November 2019, FSC Vice Chairperson (current Chairperson) Huang Tien-Mu attended the 2019 Financial Fundamental Education Achievement Seminar and Teaching Action Program Selection Award Ceremony, and presented awards to schools and teams that had outstanding performance.

● Facilitated sound development of the capital markets

» State of fundraising in the capital markets

As of the end of 2019, 278 domestic securities offerings were carried out under effective registration statements, raising a combined total of NT\$ 567.5 billion, and another 2 offshore securities offerings were carried out under effective registration statements, raising a combined total of NT\$ 6.3 billion. In total, these 280 offerings made through effective registration raised a combined amount of NT\$ 573.8 billion.

» **Implementing continuous trading across the board**

On 23 March 2020, Taiwan's securities markets implemented an across-the-board continuous trading system to improve market efficiency and increase information transparency. This move represents an important milestone for Taiwan's securities markets, and has helped better align them with international norms. To familiarize investors with the new trading system, the TWSE launched a continuous trading simulation platform on 25 March 2019.



FSC Chairperson Wellington L. Koo attended a press conference for the launch of a continuous trading simulation platform on March 25, 2019.

» **TAIFEX extends the range of products covered by the Futures Market Dynamic Price Banding Mechanism to include TAIFEX options and foreign equity index futures**

To prevent abnormal momentary price movements by erroneous orders of traders, fat finger incidents, and momentary intraday order book liquidity imbalances, the FSC oversaw work by the TAIFEX to build the Futures Market Dynamic Price Banding Mechanism. The range of products covered by the Mechanism has been expanded (as of May 27 and September 30, 2019) to include all domestic equity index futures, TAIFEX options, and foreign equity index futures.

● Implementation of anti-money laundering measures in financial institutions

- » **Oversee the efforts of financial institutions to implement anti-money laundering and countering financing of terrorism measures**
 - Following Executive Yuan's plan and cooperating with other relevant authorities, the FSC has take a risk-based approach to oversee the work of financial institutions to implement anti-money laundering and countering financing of terrorism (AML/CFT) measures.
 - Taiwan's APG third round mutual evaluation report was published on October 2, 2019. Taiwan was placed on the APG's "regular follow-up" list (the most favorable rating accorded to any APG member), and received 7 ratings of "substantial level of effectiveness" for the effectiveness compliance (implementation aspect) and 36 ratings of "largely compliant" or "Compliant" for technical compliance (legislative aspect).
- » **Encouraged banks to simply the Know Your Customer (KYC) process.**
- » **Continued to promote risk-based supervision.**
- » **Enhanced risk understanding among financial institutions and designated non-financial businesses or professions (DNFBPs).**
- » **Improved the effectiveness of AML/CFT training.**
- » **Strengthened coordination and cooperation among different authorities.**



FSC Chairperson Wellington L. Koo attended the "Seminar on Implementation of Anti-Money Laundering Measures by Banks" on April 15, 2019.



Premier Su Tseng-chang and FSC Chairperson Wellington L. Koo inspected the head office of Taiwan Cooperative Bank on January 17, 2019.

● Attended international conferences and promoted international exchange activities

» Signing Documents on financial Supervision Cooperation

- In order to strengthen cooperation with financial supervisory authorities of major countries, by the end of June 2020 the FSC had signed 64 documents on financial supervisory cooperation with its counterparts in 39 countries or regions. In 2019, the FSC signed a FinTech cooperation agreement with France (ACPR) and signed a banking and investment firms cooperation agreement with Switzerland (FINMA) in July. And the FSC signed a bilateral cooperation on banking and insurance supervision with the German Federal Financial Supervisory Authority in February 2020.



FSC Chairperson Wellington L. Koo, Ms. Sabrina Schmidt-Koschella, Deputy Director-General of the German Institute Taipei, and a representative of the German Federal Financial Supervisory Authority (BaFin) jointly held a supervisory cooperation declaration exchange ceremony on February 20, 2020.

- FSC Chairperson Wellington L. Koo witnessed the signing of FinTech cooperation agreements between the Taiwan Financial Services Roundtable (TFSR) and the French Office in Taiwan, as well as the TFSR and Paris&Co, respectively, at FinTechSpace in Taipei in May 2019.



FSC Chairperson Wellington L. Koo witnessed when TFSR signed FinTech cooperation agreements with the French Office in Taiwan as well as Paris&Co on May 28, 2019.

» Promoting international exchange and cooperation

- FSC Chairperson Wellington L. Koo led a delegation to sign a FinTech cooperation agreement with ACPR, met with senior officials of financial authorities in Europe, and met with the chief executive of the British Prudential Regulation Authority (PRA) in London in July 2019.
- In 2019, the FSC actively shared Taiwan's FinTech development strategies and experiences with other countries, including Poland, the UK, France, Sweden, Philippines, Japan, and Canada, on multiple occasions during bilateral economic and trade consultations, with the aim of enhancing mutual cooperation and exchange on related issues with its counterparts in these countries.
- In 2019, the FSC received many VIPs from the US, Europe, and Asia, including the Head of Loan Syndications EBRD, Executive Director of Trade and Investment Office Taipei Luxembourg, Member of the Luxembourg Parliament, Advisor to the

Chairperson at Polish Financial Supervision Authority, a delegation from the Legislative Assembly of Ontario Canada, a delegation from the US-Taiwan Business Council, Acting Assistant Secretary and Deputy Assistant Secretary from U.S. Department of Treasury, a delegation from the California State Assembly, the Representative of the Australian Office, the Australian Government's FinTech Advisory Group, and the Chief Representative of the Japan-Taiwan Exchange Association Taipei Office.



A delegation from the California State Assembly was warmly received by Chairperson Koo on July 31, 2019.



Madam Viviane Reding, member of the Luxembourg Parliament, was warmly received by then Vice Chairperson (current Chairperson) Huang on Oct. 25, 2019.



Mr. Hiroyasu Izumi, Chief Representative of the Japan-Taiwan Exchange Association Taipei Office, was warmly received by Chairperson Koo on December 9, 2019.

- The FSC attended international financial conferences, including the Annual Meeting of IOSCO, the Committee meetings, Annual Conference, and Working Party meetings of IAIS, the 14th Asian Forum of Insurance Regulators, and international insurance conferences and seminars held by A2ii.



FSC Chairperson Wellington L. Koo led a delegation to attend the International Organization of Securities Commissions 44th Annual Meeting on May 13-17, 2019.

- The FSC joined the Global Financial Innovation Network (GFIN) in May 2019, and attended in the first GFIN annual meeting, actively participated in the operations and related activities of the GFIN, and cooperated with global regulatory agencies to promote the development of financial innovation.
- The FSC was elected as the Vice Chair of the Implementation and Assessment Committee (IAC) of the International Association of Insurance Supervisors (IAIS), which will enhance the relationship with the IAIS and other supervisory authorities through participation in IAIS meetings and events.



FSC Vice Chairperson (current Chairperson) Tien-Mu Huang led a delegation to attend the International Association of Insurance Supervisors (IAIS) Annual Conference and Committee meetings from 11 November to 15 November, 2019 in Abu Dhabi.

» **Backed the New Southbound Policy-Financial Support Work Plan**

The FSC has provided financial assistance in support of the New Southbound policy with several measures. The rates are in line with progress. From May 20, 2016 to the end of 2019, 35 new business locations were set up by domestic banks (8 new business locations were set up in 2019) in the target countries of the New Southbound Policy. Currently, domestic banks have set up 224 service points in the region to provide Taiwanese businesses in these countries multiple financial services, including financing, guarantees, and consultation.

» **The FSC was named "Asia's Regulator of the Year" at the "20th Asia Risk Awards" ceremony for our supervisory achievement in strengthening insurance enterprises' risk management. This shows that efforts made by the FSC have been recognized by international institutions.**



FSC former Vice Chairperson Chuang-Chang Chang represented the FSC in receiving the "Asia's Regulator of the Year" award from Asia Risk on September 11, 2019.

● Important amendments of regulations

» Amendments to the "Banking Act "

- Overall review of the chapter on penalties: The FSC increased the maximum fine in the chapter on Penalties from NT\$10 million to NT\$50 million to enhance banks' legal compliance.
- Added administrative dispositions to effectively correct violations of regulations by banks: The FSC added administrative dispositions that the competent authority can adopt, including restricting investments, forbidding the disposal or transfer of certain assets, ordering closure of a branch or a department within a prescribed period of time, ordering a bank to suspend a manager or employee from their performance of duties within a specific time period, and ordering allocation of a reserve of a certain amount.
- Required the responsible person of a bank to obey the basic due diligence requirements for non-competition.
- Set out the legal basis for the competent authority's engagement in international supervisory cooperation. The government can sign cooperative treaties, protocols, or agreements with foreign governments, institutions, or international organizations and, based on the principle of reciprocity, it can request related agencies or institutions to, according to law, provide necessary information to foreign governments, institutions, or international organizations.

» The FSC amended the the "Credit Cooperatives Act Of The Republic Of China" to resolve doubts about the possibility of double taxation caused by remunerations paid to a credit cooperative's directors and supervisors which are included in the retained earnings.

» Announced official interpretations of the "Act Governing Electronic Payment Institutions"

- Allowed electronic payment institutions to provide customers with outbound payment service through an e-payment account for real transactions conducted via overseas physical channels.
- Allowed electronic payment institutions to receive and pay money for: (a) insurance products which are sold by insurance enterprises in compliance with the "Insurance Act" and denominated in NT\$ only; as well as (b) securities investment trust funds which are offered and issued by SITEs and denominated in NT\$ only.

» **Amendments to the "Securities and Exchange Act"**

- To assist listed companies to retain their outstanding employees, the "Securities and Exchange Act" was amended to extend the transfer period of treasury shares transferred to employees from 3 years to 5 years. To promote corporate governance, provisions were added stipulating that foreign listed companies and emerging stock companies may not impede, refuse, or evade the actions of the independent directors in the performance of their duties, must establish an audit committee and remuneration committee, and must hand out punishments if its audit committees or remuneration committee fails exercise its powers. In addition, to strengthen the effectiveness of compliance supervision, the "Securities and Exchange Act" was amended to adopt new sanction measures, including allowing the FSC to order "corrective action within a prescribed period" and impose "other necessary enforcement actions," raising upper limits of fines from NT\$ 2.4 million to NT\$ 4.8 million, and specifying that if securities firms, other securities service providers, or associations violate the regulation, the violating entity or association may be punished with an administrative fine.
- To clarify the responsibilities of personnel preparing financial reports to implement corporate governance, financial reports approved by the audit committee and the board of directors must be signed or sealed by the chairperson, a managerial officer, and the chief accounting officer.

» **Amended the "Futures Trading Act"**

The FSC introduced a legal basis for the central counterparty clearing mechanism (CCP) of OTC derivatives transactions, adjusted the order in which the various sources of reserve funds are drawn upon to compensate for an event of default in the futures market, allowed the offering of futures trust funds by effective registration, amended the penalties imposed on the futures related institutions, raised the maximum administrative fine, and granted exemptions from penalties for minor violations.

» **Amendments of the "Insurance Act"**

In order to enhance consumers' rights and promote the sound development of the insurance industry, the Insurance Bureau is planning to amend some provisions of the "Insurance Act" in conjunction with the related administrative procedures.

» **Amendments to the "Directions Concerning the Establishment of Foreign Branches by Domestic Banks"**

In order to expand domestic banks' overseas businesses and to implement differential regulatory treatment, the FSC will accelerate the review of applications submitted by

domestic banks which have excellent global management capabilities and plan to establish branches in a country or region where domestic banks have no operations yet.

» **Amended the "Regulations Governing Concurrent Serving Restrictions and Matters for Compliance by the Responsible Persons of Electronic Stored Value Card Issuers"**

The amended provisions allow the responsible person of an issuer to concurrently hold a position at another company or institution, and provide that where the issuer's paid-up capital exceeds NT\$ 2 billion, the chairperson may not act concurrently as the general manager.

» **Amended the "Rules Governing the Administration of Electronic Payment Business"**

- Electronic payment institutions are allowed to offer information conveyance service to users and issue physical "stored-value cards specifically for e-payment accounts".
- A database for transactions between electronic payment institutions and fund recipient users shall be created.
- Electronic payment institutions are allowed to collect and make payments for charges, fees, taxes, utility bills, and other service fees via e-accounts of financial institutions, convenience stores, and supermarkets which are commissioned by all levels of government agencies or public utilities.
- Electronic payment institutions are allowed to make one-time advance payment for fees that their users are required to pay for public transportation or parking lot services.

» **Amendments to the "Regulations Governing Issuance of Beneficiary Securities by Trustee and Asset-Backed Securities by Special Purpose Company" and "Regulations Governing the Public Offering or Private Placement of REIT and REAT Beneficiary Securities by a Trustee"**

- In order to allow shelf registration of beneficiary securities or asset-backed securities for financial assets securitization, the FSC introduced the amendments to the Regulations on April 8, 2019. According to the amendments, the scheduled issuance period shall not exceed 5 years and the issuers shall file a registration with the FSC for recordation along with a listing of events that would trigger termination of the shelf registration.
- In order to facilitate the transition from private placement to public offering for securitization, the FSC also introduced amendments to the two Regulations on April 8th, 2019. An issuer of beneficiary securities or asset-backed securities with private placement may submit an application for public offering three years after the delivery date under the conditions that the trust property have stable cash flow and appropriate credit enhancement mechanism.

» **Amendments of the "Directions for the Review of Life Insurance Products"**

In order to strengthen the mechanism for filing insurance products for review, the FSC amended the "Directions for the Review of Life Insurance Products" on 24 December 2019, and will implement the amended provision from 1 July 2020. With the insurance amendments, the profit test index (Contractual Service Margin > 0) is included in the product filing criteria, so insurance enterprises should carefully assess risks such as the concentration of insurance products and contain the declared interest rates strategy in the sensitivity test in order to ensure the reasonableness of the profits of insurance products and to implement the risk management mechanism.

» **"Amendments of the Directions for Conduct by Life Insurance Enterprises of Interest-Sensitive Insurance Products Business"**

In order to strengthen post-sale regulation of interest-sensitive insurance products (including insurance products with a credited interest rate), and to ensure safe and sound operation of interest-sensitive insurance products business, thereby reducing the possible impact of future adoption of IFRS17 and ICS, the FSC on 16 January 2020 amended the Directions, which will enter into force from 1 July 2020.

» **Promulgated the "Directions Governing the Minimum Ratio of Death Benefit to Policy Value (Account Value) Regarding the Life Insurance Products"**

In order to ensure that the insurance enterprises bear a certain risk of death, and the public can obtain a certain degree of protection after purchasing life insurance, on 24 December 2019 the FSC promulgated the "Directions Governing the Minimum Ratio of Death Benefit to Policy Value (Account Value) Regarding the Life Insurance Products," which will be implemented from July 1, 2020. The Directions aim to reduce the savings component of insurance products and increase the proportion of death payments, so that insurance products return to the nature of insurance protection.

» **Amendments of the "Directions for the Separate Account Custodian Institutions and Investment Instruments of the Investment-linked Insurance"**

To safeguard consumer interests, the FSC on 24 February 2020 amended the "Directions for the Separate Account Custodian Institutions and Investment Instruments of the Investment-linked Insurance" to require that, among the securities investment trust fund beneficial certificates linked to investment-linked insurance products, for those that are bond funds with a stipulated maturity date, the sovereign rating of the government bonds and treasury bills that the bond funds have invested must be BBB+ or higher (or, for bonds other than government bonds and treasury bills, the issue rating

must be BBB+ or higher), and the total amount of investments in BBB+ grade must not exceed 40% of the fund's net asset value.

» **Amendments of the "Regulations Governing Pre-sale Procedures for Insurance Products"**

In order to encourage insurance enterprises to actively develop protection-type insurance products as well as insurance products targeted to the needs of the elderly, on 30 March 2020, the revised "Regulations Governing Pre-sale Procedures for Insurance Products" were issued. For an insurer where protection-type products and products targeted to the needs of the elderly account for at least a certain percentage of total sales, the use-and-file system will apply to future product reviews even where the approval system would have originally been called for. On the other hand, for an insurer where such products account for an unsatisfactory percentage of total sales, the product review system for newly filed products will be changed adversely. The insurance companies should be guided to: (a) sell more protection-type insurance products and products targeted to the needs of the elderly; (b) adjust the structure of their product lineup; and (c) improve their business and financial status. In addition, an official interpretation was issued on the 1 April 2020 which clearly defines what constitutes a protection-type insurance product and an insurance product targeted to the needs of the elderly.





Future Outlook

- Encourage FinTech innovation and develop RegTech
- Expand international financial services and allow variety of financial products
- Build Taiwan as a regional wealth management center -New Wealth Management Scheme
- Continue to strengthen corporate governance
- Implement financial supervision
- Protect consumer interests and implement financial inclusion
- Optimization of the capital markets
- Strengthen financial institutions' anti-money laundering measures
- Attend international conferences and promote international exchange activities
- Important amendments of regulations

Future Outlook

● Encourage FinTech innovation and develop RegTech

- » Continue to promote the dual system of "sandbox tests" and "business trials" to accelerate FinTech innovation.
- » Enhance the service capacity and resources of the FinTech space.
- » Continue holding the FinTech Taipei Exhibition or FinTech Taipei Forum to showcase our FinTech achievements to the world.
- » Promote open banking in a phased manner.
- » Continue to promote utilization and innovation of mobile payment services.
- » The FSC will strengthen the supervision of internet-only banks. In addition, the FSC will adopt supotech solutions to conduct real-time monitoring of internet-only banks' liquidity risk as well as material financial and business indicators.
- » Continue encouraging SICEs to introduce robo-advisor services.
- » Guide insurers to use financial technology to improve business efficiency and protect consumer interests.
- » Establish the Taskforce for Promotion of a Digital Regulatory Reporting Mechanism.
- » Strengthen the inspection of digital finance and risk control.
- » Promote examiners' professional ability to inspect IT-related matters.

● Expand international financial services and allow variety of financial products

- » Continue to carry out the programs to encourage lending by domestic banks to SMEs and key innovative industries.
- » Build up Taiwan as an international treasury center for Taiwanese firms.
- » Launch new futures products designed to meet the demands of the market.
- » Encourage domestic SICEs to embark upon international markets.
- » Encourage insurance enterprises to design green insurance products.

- » **Develop drone liability insurance.**
- » **Continue to review mountaineering insurance products for consumers to appropriately diversify risks.**

● **Build Taiwan as a regional wealth management center - New Wealth Management Scheme**

The FSC launched the "New Wealth Management Scheme" on December 31, 2019. The Scheme has 3 main aspects and introduces 19 deregulatory measures, mainly focusing on relaxing restrictions on financial products that high-asset customers (with total assets exceeding NT\$100 million) can invest in, and allowing for more variety of financial products and services. The goal is to expand the scale of Taiwan's wealth management business, cultivate wealth management talent, strengthen the financial product R&D capabilities of financial institutions, make Taiwan's financial institutions more internationally competitive, and build Taiwan as a regional wealth management center. Related measures include:

- » **Has formulated a draft set of "Regulations Governing Banks Conducting Financial Products and Services for High-Asset Customers".**
- » **Deliberate on the possible relaxation of rules governing foreign brokerage business and wealth management business to allow a wider scope of securities products for high net-worth clients.**
- » **Deliberate on the possible amendment of the "Securities Investment Trust and Consulting Act" to permit REITs to be issued under a fund structure.**
- » **Deliberate on the possibility of allowing securities firms to engage in margin trade business for foreign securities.**
- » **Deliberate on the possibility of allowing qualified foreign investors to collateralize their foreign currencies to get financing from securities firms.**
- » **Decide to allow securities dealers to obtain board approval to engage in trading of foreign bonds and derivative products with overseas affiliated enterprises.**
- » **Decide to permit securities firms to manage private equity funds (PE Funds) under mandate and to introduce institutional investors to invest in the PE Funds.**
- » **Deliberate on the possibility of allowing offshore securities branches (OSUs) to conduct lending of funds for unrestricted purposes.**

- » **Decide to permit leverage transaction merchants to provide individuals with contracts for different (CFDs) on gold and oil.**
- » **Decide to permit leverage transaction merchants to provide non-NT\$ NDF transactions services.**

● **Continue to strengthen corporate governance**

- » **Require disclosure of employees' median annual salaries.**
- » **Ensure more reasonable and appropriate remuneration for independent directors.**
- » **Strengthen environment, society and governance (ESG) disclosures.**
- » **Continue to evaluate institutional investors' stewardship responsibilities.**
- » **Amend the "Regulations Governing the Preparation of Financial Reports by Securities Firms", "Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants", and "Regulations Governing the Preparation of Financial Reports by Insurance Enterprises".**

● **Implement financial supervision**

- » **Implement the "Guidelines on the Handling of Defective Regulatory Reporting by Domestic Banks".**
- » **Strengthen implementation of targeted financial examinations by, for example, paying closer attention to consumer protection and AML/CFT issues, and by providing supervisory suggestions.**
- » **In order to urge financial institutions to enhance their internal auditing effectiveness, the FEB will require financial institutions to draw up annual internal audit plans that focus on each business unit's vulnerabilities and specific items which need to be strengthened.**
- » **Future efforts to strengthen the financial cyber security joint defense system**
 - F-ISAC will continue to enhance its information sharing service.
 - The service capacity of the Financial Computer Emergency Response Team (F-CERT) will be further expanded.
 - A Financial Security Operations Center (F-SOC) will be created to gather and analyze cyber security incidents of various financial institutions.
 - F-ISAC will coordinate and exchange with public and private sectors both in Taiwan

and abroad on a higher level, and will support Taiwan's various national cyber security intelligence fusion and warning centers, including the National Information Sharing and Analysis Center (N-ISAC) and National Computer Emergency Response Team (N-CERT).

- » **Continue to review and strengthen its supervisory mechanisms for the solvency of insurance companies.**
- » **Encourage the adoption of IFRS17 and strengthen the risk management of property & casualty insurers.**

● **Protect consumer interests and implement financial inclusion**

- » **To respond to the needs of our aging society, the FSC strengthens financial literacy programs for seniors, and continues to oversee the handling of financial consumer disputes by the Financial Ombudsman Institution.**
- » **Strengthen financial literacy work**
 - Continue to carry out the fifth "Financial Literacy Program" (2018-2020).
 - Continue to carry out its School and Community Financial Literacy Campaign.
- » **Continue to promote financial basic education in all levels of schools.**
- » **Work to improve the convenience of financial services for persons with disabilities.**
- » **To make better use of consumer behavior data, the FSC instruct the Joint Credit Information Center to interface with the Open Data API built up by the government to make it easier for consumers to obtain bank loans.**
- » **Strengthen supervision of the distribution fees of fund marketing channels.**
- » **Strengthen the control of insurance enterprises' improper solicitation practices.**
- » **Continue working to raise the take-up rate of residential earthquake insurance, and review risk spreading mechanisms.**
- » **Promote microinsurance and micro-whole-life insurance.**

● **Optimization of the capital markets**

- » **Require the disclosure of material information in English to enhance the internationalization of listed companies and to provide foreign investors easy access to information.**
- » **Implement continuous trading across the board.**

- » **Promote an odd-lot intraday trading system.**
- » **Continue promoting the implementation of domestic central clearing of OTC derivatives.**
- » **Expand the range of products covered by the Futures Market Dynamic Price Banding Mechanism.**
- » **Improve the quality of CPA audit practice.**

● **Strengthen financial institutions' anti-money laundering measures**

To prepare for the mutual evaluation follow-up procedures, the FSC will actively promote the following actions based on the AML/CFT Strategic Blueprint and recommended actions set out in Chinese Taipei's APG third round mutual evaluation report:

- » **Enhance the AML/CFT legal framework and infrastructure, and continue amending AML/CFT regulations with reference to international standards.**
- » **Continue promoting risk-based supervision.**
- » **Conduct outreach activities to help financial institutions and the general public better understand ML/TF risks.**
- » **Monitor new and emerging ML/TF risks in response to evolving threats.**
- » **Strengthen domestic and cross-border supervisory coordination and cooperation.**
- » **Increase the frequency and intensity of financial examinations in high-risk fields.**

● **Attend international conferences and promote international exchange activities**

- » **Continue to promote the signing of bilateral cooperation memorandums with financial supervisory authorities of various countries, and strengthen cross-border supervision cooperation between the FSC and foreign supervisory authorities.**
- » **Take active part in international organizations' activities and strengthen interaction and cooperation with various financial organizations to expand cross-border financial cooperation.**
- » **Assist financial institutions to expand overseas markets and support the financial services needs of overseas Taiwanese companies and local SMEs with finance in line with the New Southbound Policy.**

- » **Conduct joint examinations with foreign supervisory authorities to improve the skills of examiners and strengthen the internal control and internal auditing systems of domestic banks' overseas branches.**

● **Important amendments of regulations**

- » **Work to integrate the "Act Governing Electronic Payment Institutions" and the "Act Governing Issuance of Electronic Stored Value Cards"**
 - The FSC is studying the possible consolidation of the "Act Governing Electronic Payment Institutions" and the "Act Governing Issuance of Electronic Stored Value Cards" into a single act, and has proposed an amendment to the "Act Governing Electronic Payment Institutions" to set up a single regulatory system for stored value instruments.
 - Key objectives of the amendments include the following: (a) expand the core business of handling payments and receipts; and (b) provide for the launch of new businesses that are associated with or derived from payments, such as domestic and international remittances, integration of bonuses and reward points, and the use of such points to offset payments made via an agent. The purpose of these amendments is to create a comprehensive payment ecosystem.
- » **Amendments to increase the amount of fines imposed pursuant to the "Trust Enterprise Act," strengthen legal compliance at trust enterprises, and improve the operation of trust businesses.**
- » **Amendments to the "Securities Investor and Futures Trader Protection Act" have been proposed to improve the legal system governing derivative suits and discharge suits, and to promote corporate governance.**
- » **Continue to consider amendments to the "Insurance Act".**
- » **Amend the wording of the "Compulsory Automobile Liability Insurance Act" to implement the principle of "non-discrimination" as set out in the Convention on the Rights of Persons with Disabilities.**
- » **Amend the "Regulations Governing Required Qualifications for Responsible Persons of Insurance Enterprises" to strengthen insurance enterprises' corporate governance.**
- » **Continue to review the "Regulations Governing Insurance Brokers" and the "Regulations Governing Insurance Agents" to improve development of the insurance market.**



```
        mirror_ob = bpy.context.selected_objects[0]

        if operation == "MIRROR_X":
            mirror_mod.use_x = True
            mirror_mod.use_y = False
            mirror_mod.use_z = False
        elif operation == "MIRROR_Y":
            mirror_mod.use_x = False
            mirror_mod.use_y = True
            mirror_mod.use_z = False
        elif operation == "MIRROR_Z":
            mirror_mod.use_x = False
            mirror_mod.use_y = False
            mirror_mod.use_z = True

        #selection at the end, add back the de-selected mirror modifier object
        mirror_ob.select = 1
        modifier_ob.select = 1
        bpy.context.scene.objects.active = modifier_ob
        print("Selected" + str(modifier_ob)) # modifier ob is the active ob
        mirror_ob.select = 0
        #one = bpy.context.selected_objects[0]
        #two = bpy.context.selected_objects[one.name].select = 1
    except:
        print("please select exactly two objects, the first object gets the modifier")

class MirrorX(bpy.types.Operator):
    """This adds an X mirror to the selected object"""
    bl_idname = "object.mirror_mirror_x"
    bl_label = "Mirror X"

    @classmethod
    def invoke(cls, context):
        return context.active_object.mirror_mirror_x
```

Appendices

- FSC management team
- Financial statistics overview

Appendix A

● FSC management team





Appendix B

● Financial statistics overview

» Banking Industry

• Business Overview

At the end of 2019, total assets and net worth of the banking system were NT\$64.55 trillion and 4.46 trillion, all-time highs in both cases, and profit before tax of the banking system was NT\$407 billion in 2019. In addition, return on assets (ROA) and return on equity (ROE) of domestic banks were 0.72% and 9.38% in 2019, respectively, and the average capital adequacy ratio of domestic banks was 14.07% at the end of 2019. Furthermore, total loans, non-performing loans (NPLs), NPLs ratio, and coverage ratio of domestic banks were NT\$29.69 trillion, 63.6 billion, 0.21%, and 651.78% at the end of 2019, respectively.

• Important Indicators

Unit: firm; NT\$ Bn; %

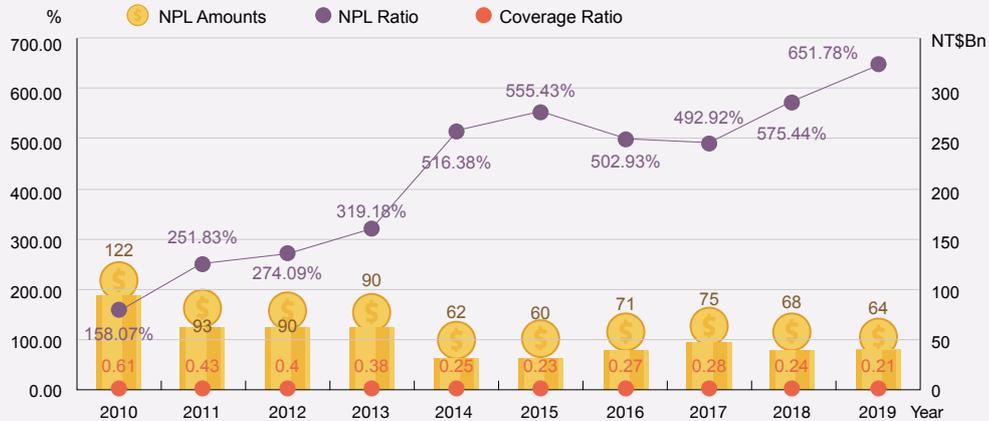
Item	2013	2014	2015	2016	2017	2018	2019
Number of Banking System							
Head office	102	100	100	99	98	97	96
Domestic Banks (note1)	39	39	39	39	38	37	36
Local Branches of Foreign and Mainland Chinese Banks	31	30	30	29	29	29	29
Credit Cooperatives	24	23	23	23	23	23	23
Bills Finance Companies	8	8	8	8	8	8	8
Branches	3,768	3,775	3,764	3,758	3,753	3,747	3,757
Domestic Banks	3,442	3,460	3,442	3,430	3,417	3,403	3,405
Local Branches of Foreign and Mainland Chinese Banks	39	39	39	38	38	38	38
Credit Cooperatives	257	246	253	260	268	276	284
Bills Finance Companies	30	30	30	30	30	30	30
Deposits of the Banking System (note2) (NT\$Bn)							
Domestic Banks' Share (%)	96.36	96.18	95.92	95.03	95.42	95.80	95.30
Local Branches of Foreign and Mainland Chinese Banks' Share (%)	1.77	2.04	2.34	3.25	2.88	2.53	3.06
Credit Cooperatives' Share (%)	1.87	1.78	1.75	1.72	1.69	1.67	1.64
Loans of the Banking System (note2) (NT\$Bn)							
Domestic Banks' Share (%)	94.87	94.20	93.97	94.04	93.71	93.68	93.47
Local Branches of Foreign and Mainland Chinese Banks' Share (%)	3.57	4.28	4.46	4.38	4.72	4.75	4.96
Credit Cooperatives' Share (%)	1.56	1.52	1.57	1.58	1.58	1.56	1.57
Non-performing Loans (NPLs)							
NPLs of Banking System (note3) (NT\$Bn)	90.5	62.5	60.2	71.9	75.4	69.1	64.2
NPLs of Domestic Banks (NT\$Bn)	89.9	61.7	59.9	70.7	74.7	68.4	63.6
NPLs Ratio of Banking System (note3) (%)	0.36	0.24	0.22	0.26	0.26	0.23	0.20
NPLs Ratio of Domestic Banks (%)	0.38	0.25	0.23	0.27	0.28	0.24	0.21
Coverage Ratio of Domestic Banks (%)	319.18	516.38	555.43	502.93	492.92	575.44	651.78
Domestic Bank Profitability							
Return on Equity (ROE) (%)	10.26	11.65	10.58	9.24	8.97	9.31	9.38
Return on Assets (ROA) (%)	0.68	0.79	0.75	0.68	0.67	0.70	0.72

Note: 1.Domestic Banks exclude Agricultural Bank of Taiwan.

2.The data of Loans and Deposits include all branches.

3.The data of Non-performing Loans include Domestic Banks, Local Branches of Foreign Banks and Mainland Chinese Banks (beginning 2013) and Credit Cooperatives.

● NPL Ratio & Amounts VS Coverage Ratio of Domestic Banks



● Average ROE and ROA of Domestic Banks



» Securities and Futures Industry

• Business Overview

(1) The profitability of securities firms is stable:

The pre-tax surplus of securities firms has stayed above NT\$ 20 billion since 2008. The pre-tax surplus was NT\$ 43.41 billion in 2019, up by NT\$ 10.77 billion from NT\$ 32.64 billion in 2018. The main reason is that TAIEX was on an upward trend in 2019, while it was on a downward trend in 2018, which contributed to a rise in the income of securities dealing business and underwriting business.

(2) The profitability of SITEs is stable:

The pre-tax surplus of SITEs has remained above NT\$ 5.44 billion dollars since 2008. The pre-tax surplus was NT\$ 8.33 billion dollars in 2018 and was NT\$ 9.11 billion dollars in 2019, an increase of NT\$ 782 million dollars.

(3) The profitability of futures merchants is declining slightly:

The pre-tax surplus of futures merchants was NT\$ 4.302 billion in 2019, versus NT\$ 4.872 billion in 2018. The fall in futures trading volumes in 2019 caused a decline in profits.

• Important Indicators

Unit: firm

Item	2013	2014	2015	2016	2017	2018	2019
Number of Securities Service Providers							
Securities Firms	121	119	120	116	111	108	106
Branch of Securities Firms	993	964	965	910	883	871	853
Brokers	82	78	80	78	74	72	71
Dealers	81	80	81	79	77	76	75
Underwriters	54	57	62	59	58	58	58
Securities Investment Trust Enterprises	38	37	37	38	39	39	39
Securities Investment Consulting Enterprises	103	96	89	87	84	82	84
Number of participating Futures firms							
Futures firms	15	15	15	15	15	15	15
Concurrently-Operated Enterprises	30	30	29	29	28	26	26
Proprietary Traders	30	31	31	33	33	32	32
Brokers	32	32	31	30	28	26	26
Futures Advisory Enterprises	34	33	34	34	32	32	31
Managed Futures Enterprises	9	9	8	9	9	7	6
Introducing Brokers	51	49	49	49	48	47	47
Futures Trust Enterprises	9	9	9	10	10	10	8

Unit: firm; NT\$ Bn

Highlights of Equity Issuance by Public Companies	2013	2014	2015	2016	2017	2018	2019
TWSE listed companies	838	854	874	892	907	928	942
Capital Issued (NT\$Bn)	6,610	6,783	6,951	7,022	7,136	7,159	7,156
Market value (NT\$Bn)	24,520	26,892	24,504	27,248	31,832	29,319	36,414
TPEX listed companies	658	685	712	732	744	766	775
Capital Issued (NT\$Bn)	662	680	706	715	722	739	747
Market value (NT\$Bn)	2,325	2,681	2,731	2,723	3,317	2,827	3,434
Unlisted companies	584	621	646	645	658	672	677
Capital Issued (NT\$Bn)	1,790	1,758	1,735	1,637	1,605	1,509	1,484
Emerging-stock companies*	261	284	284	271	274	256	248
Capital Issued (NT\$Bn)	297	337	301	249	233	177	161
Market value (NT\$Bn)	645	893	900	754	778	518	490

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

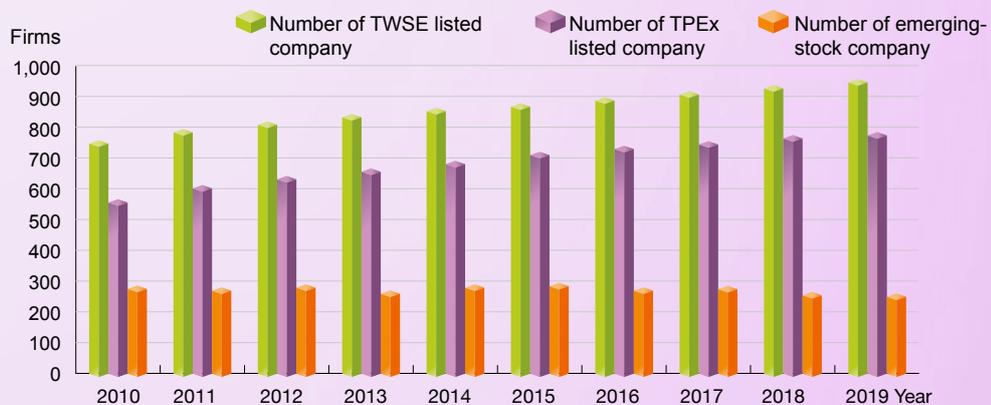
Unit: NT\$Bn; Lots; %

Item	2013	2014	2015	2016	2017	2018	2019
Highlights of Securities transactions (NT\$Bn)							
Securities Trading Value on TWSE	19,603	23,043	22,505	18,916	25,799	32,162	29,057
Stocks	18,941	21,899	20,192	16,771	23,972	29,609	26,465
ETFs	282	433	1,634	1,707	1,232	1,834	2,081
Closed-end Funds	0.67	0.16	0	0	0	0	0
Beneficiary Securities	11.6	9.9	12	7.1	4.3	4.2	10
Warrants	340	679	645	426	585	713	497
TDRs	27.8	22.6	22.2	4.4	6.2	2.7	2.4
Convertible Corporate Bonds	0	0	0	0	0	0	0
Securities Trading Value on TPEX	55,995	56,969	58,085	54,875	53,725	56,891	53,285
Stocks	4,031	6,356	5,689	5,050	7,684	8,146	7,608
Warrants	68.8	162	157	129	227	212	145
Bonds (including outright and Repos)	51,895	50,450	52,239	49,697	45,815	48,218	44,677
Highlights of Taiwan Futures Market Trading** (Lots)							
Futures and Options	153,225,238	202,411,093	264,495,660	241,678,556	265,705,669	308,083,576	260,765,482
Futures	43,389,650	50,057,345	72,052,902	73,102,459	78,408,549	112,731,243	90,042,348
Options	109,835,588	152,353,748	192,442,758	168,576,097	187,297,120	195,352,333	170,723,134
Open interest of Futures and Options	1,126,754	1,106,639	976,413	1,099,429	1,568,135	872,723	941,097
Open interest of Futures	219,636	258,966	214,816	269,371	344,465	291,914	328,212
Open interest of Options	907,118	847,673	761,597	830,058	1,223,670	580,809	612,885
Net Foreign Investments in Listed Shares (NT\$Bn; %)							
Foreign Investments in Taiwan Stock Exchange (TWSE) Shares (NT\$Bn)	243	355	46	320	155	-355	244

Item	2013	2014	2015	2016	2017	2018	2019
Trading Value Ratio of Foreign Investments in Taiwan Stock Exchange (TWSE) Shares (%)	24.66	23.8	28.38	30.45	25.93	26.19	27.66
Foreign Investments in Taipei Exchange (TPEX) Shares (NT\$Bn)	26.9	43.1	53.3	31.7	32.7	-13.4	25.9
Trading Value Ratio of Foreign Investments in Taipei Exchange (TPEX) Shares (%)	6.05	6.39	8.9	11.12	9.26	12.27	11.78

**According to Article 3 of the "Futures Trading Act," the term "futures trading" shall mean trading in futures contracts, option contracts, futures option 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 pursuant to the regulations or practices set forth by domestic or foreign futures exchanges or other futures markets. The FSC started adjusting the above futures trading statistics in its 2012 Annual Report, and applies those same adjustments retroactively back to 2006.

● Number of listed and emerging-stock company



● Securities Trading Value on TWSE



» Insurance Industry**• Business Overview****(1) Premium income:**

The premium income of the insurance industry has registered steady growth over recent years. As of the end of 2019, the premium income stood at NT\$ 3.644 trillion, a decrease of NT\$ 33.4 million or 1% compared with the same period in 2018. The main reason is that the sales strength of variable interest rate products has slowed down since 2019, resulting in a decrease in the premium income of the insurance industry in 2019 compared with that of the previous year.

(2) Pre-tax earnings:

The insurance industry faced the global stock market crash in 2018, which led to rising USD interest rates, the higher hedging costs and other factors. Pre-tax earnings came to NT\$ 970 million in 2018. Since 2019, the stock market has started to rebound, and benchmark interests rates in the Taiwan US bond markets have dropped from 2018, enabling insurers to achieve 2019 pre-tax earnings of NT\$ 1,706 million, an increase of NT\$ 736 million or 76% compared with the same period in 2018.

(3) Total assets gradually increased:

The total assets of the insurance industry in 2018 amounted to NT\$ 6.6 trillion, and as of the end of 2019, the assets of the insurance industry stood at NT\$ 9.7 trillion.

(4) Total insurance benefit payments grew steadily and played the role of a social safety net:

In 2018, property insurance benefit payments amounted to NT\$ 80.3 billion, and life insurance benefit payments amounted to NT\$ 1.876 trillion. As of the end of 2019, property insurance benefit payments exceeded NT\$ 88 billion, and life insurance benefit payments exceeded NT\$ 1.942 trillion.

• Important Indicators

Unit: firm; NT\$Bn; %

Item	2013	2014	2015	2016	2017	2018	2019
No. of insurers (based on no. of issued business licenses)	56	54	54	54	54	55	54
Domestic non-life insurers (incl. cooperatives)	17	17	17	17	17	17	17
Domestic life insurers	24	24	24	23	23	23	23
Foreign non-life insurers	6	5	5	6	6	7	7
Foreign life insurers	6	5	5	5	5	5	4
Domestic & foreign reinsurers	3	3	3	3	3	3	3
Overseas branches of domestic insurers	25	23	23	23	22	20	20
Non-life insurers	12	10	10	9	9	8	8
Life insurers	13	13	13	14	13	12	12
Taiwan contact offices of foreign insurers	12	10	10	10	9	8	8
Non-life insurers	5	4	4	4	4	3	3
Life insurers	3	2	2	1	0	0	0
Reinsurers	4	4	4	5	5	5	5
Total assets of all financial institutions (NT\$Bn)	57,991	63,442	67,631	70,793	73,876	78,178	82,698
Total assets of all insurers	16,925	18,824	20,047	22,555	24,812	26,676	29,779
Total assets of all non-life insurers	292.7	302.8	315.2	345.1	348.2	353.5	385.1
Total assets of all life insurers	16,633	18,521	19,731	22,210	24,462	26,322	29,394
Total assets of insurers as share of total assets of all financial institutions (%)	29.19	29.67	29.64	31.86	33.58	34.12	36.01
Total assets of non-life insurers as share of total assets of all financial institutions	0.50	0.48	0.47	0.49	0.47	0.45	0.47
Total assets of life insurers as share of total assets of all financial institutions	28.68	29.19	29.17	31.37	33.11	33.67	35.54
Total premium income as share of GNI (Note 1)	17.28	17.39	17.51	18.21	19.41	19.60	18.83
Premium income (NT\$Bn)	2,708	2,903	3,063	3,279	3,577	3,677	3,644
Premium income of non-life insurers (NT\$Bn)	124.9	132.2	136.1	146.0	156.7	165.6	177.1
Premium income of life insurers (NT\$Bn)	2,584	2,771	2,927	3,133	3,420	3,512	3,467
Premium income of non-life vs. life insurers	1:20.68	1:20.96	1:21.50	1:21.47	1:21.82	1:21.20	1:19.57
Annual increase in premium income of non-life insurers	3.67	5.86	2.95	7.23	7.36	5.68	6.96

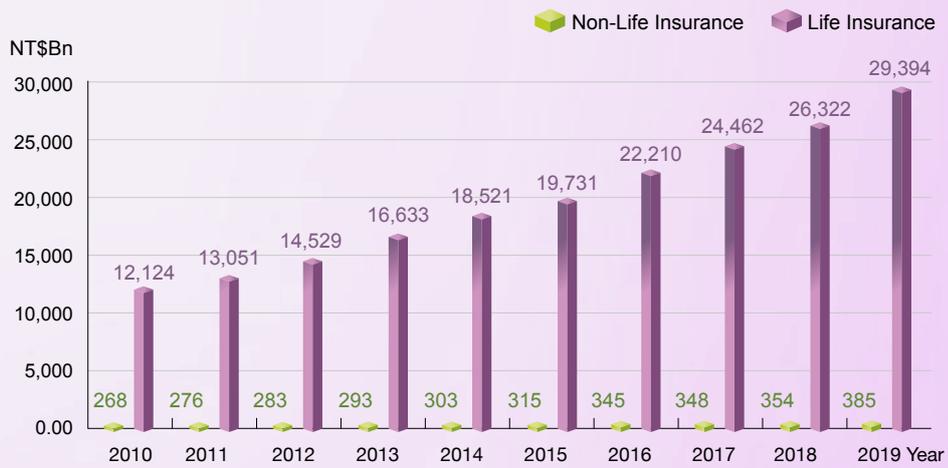
Item	2013	2014	2015	2016	2017	2018	2019
Annual increase in premium income of life insurers	4.24	7.26	5.61	7.06	9.16	2.67	-1.28
Annual increase in premium income of foreign non-life insurers	15.34	15.04	14.96	14.48	15.59	12.8	12.98
Annual increase in premium income of foreign life insurers (Note 2)	3.31	3.36	3.20	2.49	3.10	3.5	3.51
Non-life insurance market concentration ratio	61.03	61.56	61.5	62.59	62.17	61.37	61.41
Life insurance market concentration ratio	65.84	65.61	66.70	69.77	69.40	66.22	67.29
Insurance losses (NT\$Bn)	1,316	1,687	1,604	1,703	1,744	1,956	2,030
Insurance losses on non-life insurers (NT\$Bn)	61.5	64.9	68.2	78.5	88.4	80.3	88.0
Insurance losses on life insurers (NT\$Bn)	1,254	1,622	1,536	1,625	1,655	1,876	1,942
Insurance density (NT\$)	115,874	123,895	130,376	139,310	151,750	155,886	154,379
Non-life insurance density (NT\$)	5,344	5,642	5,794	6,201	6,648	7,021	7,505
Life insurance density (NT\$)	110,530	118,253	124,582	133,109	145,102	148,865	146,874
Insurance penetration (%)	17.74	17.85	17.96	18.68	19.89	20.04	19.28
Non-life insurance penetration (%)	0.82	0.81	0.80	0.83	0.87	0.90	0.94
Life insurance penetration (%)	16.92	17.04	17.16	17.85	19.02	19.14	18.34
New life insurance contracts (1,000 contracts)	37,627	45,486	50,158	47,035	46,072	50,868	60,471
Insured amount of new life insurance contracts (NT\$Bn)	42,433	47,185	53,962	50,982	50,277	47,602	49,263
Life insurance contracts in force (individuals) (1,000 contracts)	45,307	46,516	47,935	49,689	51,003	51,822	53,181
Insured amount of life insurance contracts in force (individuals) (NT\$Bn)	35,442	36,349	37,466	38,521	39,385	41,637	43,519
Take-up rate for life & annuity insurance (%)	229.67	230.61	234.16	240.35	246.04	249.45	256.09
Prevalence ratio of life & annuity insurance (%)	311.2	290.86	282.96	282.14	281.82	294.55	303.70
Avg. dividend interest rate on life insurance (%)	1.42	1.42	1.4	1.16	1.08	1.08	1.08

Note1: The Directorate-General of Budget, Accounting and Statistics (DGBAS) switched in 2014 from gross national product (GNP) to gross national income (GNI). To coordinate with this switch, the field that formerly read "Total premium income as share of GNP" has been re-worded to read "Total premium income as share of GNI", and the annual figures have been adjusted to reflect this change (the 2014 figure for GNI is the DGBAS estimate).

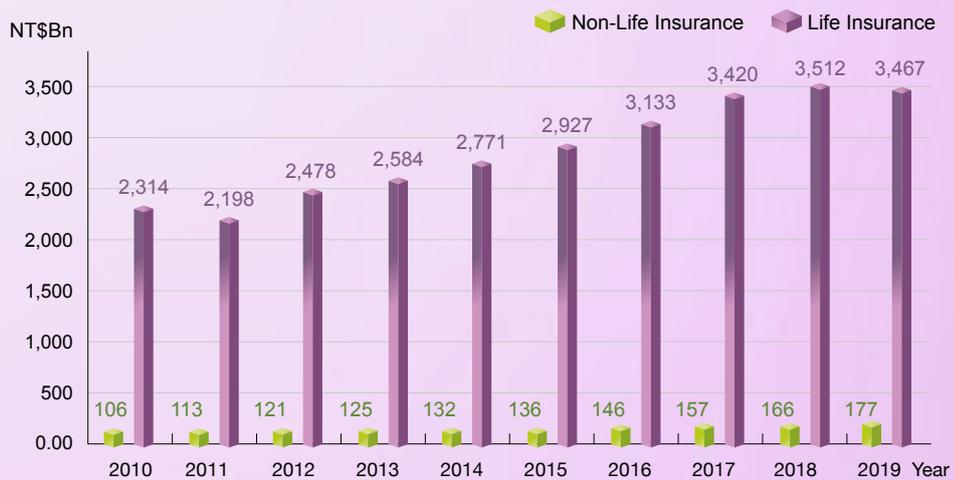
Note2: The Taiwan branch of HSBC Life was acquired by Allianz President Life in June 2013. Accordingly, figures for the market share of foreign insurers prior to June 2013 include the market share of the Taiwan branch of HSBC Life.

Note3: The term "insurance market concentration ratio" (of the non-life or life insurance market) refers to the combined total premium income of (non-life or life) insurers ranking among the top five for premium income, expressed as a percentage of the combined total premium income of all (non-life or life) insurers.

● Total Assets of Insurance Industry



● Insurance Premium Income





Financial Supervisory Commission, Taiwan

2019-2020 Annual Report

Distributed by	Financial Supervisory Commission, Taiwan
Publisher	Tien-Mu Huang
Address	18F., No.7, Sec. 2, Xianmin Blvd., Banqiao Dist., New Taipei City 22041, Taiwan (R.O.C.)
Tel	886-2-8968-0899
Fax	886-2-8969-1215
Website	http://www.fsc.gov.tw
Electronic version at the following URL:	https://www.fsc.gov.tw/en/home.jsp?id=56&parentpath=0,4
Available at the following locations:	Government Publications Bookstore Address: 1F., No.209, Sung Chiang Rd., Tapei, Taiwan (R.O.C.) TEL: 886-2-2518-0207 Website: http://www.govbooks.com.tw WU-NAN Bookstores Co., Ltd. Address: NO.6 Jhongshan Rd., Central District Taichung 400 Taiwan (R.O.C.) TEL: 886-4-2226-0330 Website: http://www.wunanbooks.com.tw
Art Design & Printing	Wish Creative Design Co., Ltd.
Address	8F., No.108, Mincyuan W. Rd., Datong Dist., Taipei City 10361, Taiwan (R.O.C.)
Tel	02-2553-6152
Fax	02-2553-6251
Date of publication	September 2020
ISSN	18165176
GPN	2009401915
Price	NT\$ 250



Copyright © Financial Supervisory Commission – All rights reserved.



The work is licensed under the Creative Commons Attribution-Non-Commercial 3.0 Taiwan License. To view a copy of this license, visit <http://creativecommons.org/licenses/by-nc/3.0/tw/> or send a letter to Creative Commons, 171 Second Street, Suite 300, San Francisco, California 94105, USA.

2019

Ann

The FSC promotes innovation and openness,
pursues financial inclusion, and
connects to the world.



Fina

FSC



Financial Supervisory Commission, Taiwan

18F., No.7, Sec. 2, Xianmin Blvd., Banqiao Dist., New Taipei City 22041,
Taiwan (R.O.C.)

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

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



GPN: 2009401915
NT\$ 250