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- FSC releases “Guidelines for the Financial Sector on Deepening Social Trust and Giving Back to Society”
- FSC amends Articles 6 and 8 of the “Regulations Governing Cross-selling Activities Among Subsidiaries of a Financial Holding Company” and issues the “Regulations for Financial Institutions Collaborating Across Industries to Promote Products and Provide Related Services”
- FSC amends “Directions for Life Insurance Companies to Engage in Interest Rate-Sensitive Insurance Products Business”
- FSC continues to promote bringing financial leasing companies under the Financial Consumer Protection Act

Policy and Regulations

FSC releases “Guidelines for the Financial Sector on Deepening Social Trust and Giving Back to Society”

On July 29, 2026, the FSC released the “Guidelines for the Financial Sector on Deepening Social Trust and Giving Back to Society,” including four guiding principles, five key strategies, three main target groups and 22 areas of action. The guidelines also set disclosure requirements to encourage the financial services industry to enhance its positive contributions to the general public, customers, and employees. The initiative further fosters a development model in which the financial sector and society prosper together, thereby realizing the ideal of “Trustworthy Finance” and building a positive cycle of “greater trust, greater policy openness, broader development, and greater social benefits.” The FSC also plans to establish a dedicated section on its Sustainable Finance Website to feature links to the relevant sections of the websites of financial service providers, as well as to showcase representative and best-practice cases of social contribution initiatives. These efforts are intended to facilitate the sharing of experiences and mutual learning, and to enhance the visibility and impact of social contribution efforts across the financial services industry.

FSC amends Articles 6 and 8 of the “Regulations Governing Cross-selling Activities Among Subsidiaries of a Financial Holding Company” and issues the “Regulations for Financial Institutions Collaborating Across Industries to Promote Products and Provide Related Services”

To strengthen promotion channels for insurance trusts and elderly care trusts offered by the trust industry and enhance the synergy of cross-industry operations, the FSC revised and promulgated Articles 6 and 8 of the “Regulations Governing Cross-selling Activities Among Subsidiaries of a Financial Holding Company” on August 7, 2026. The amendments relaxed the regulations, allowing joint marketing of “insurance trusts” by financial holding subsidiaries other than insurance subsidiaries, and expanded the scope of joint marketing for “elderly care trusts”. On the same day, the FSC also formulated and issued the “Regulations for Financial Institutions Collaborating Across Industries to Promote Products and Provide Related Services,” further relaxing regulations by allowing “insurance trusts” to be jointly promoted by financial institutions other than insurance brokerage firms, and expanding the scope of joint promotion to include “elderly care trusts.”

FSC amends “Directions for Life Insurance Companies to Engage in Interest Rate-Sensitive Insurance Products Business”

To improve information disclosure concerning interest rate-sensitive insurance products and protect policyholders’ rights, the FSC amended Points 7 and 8 of the “Directions for Life Insurance Companies to Engage in Interest Rate-Sensitive Insurance Products Business” on July 14, 2026. The amendments clarified information disclosure requirements concerning sales documentation on interest rate-sensitive insurance products and established specifications concerning policy benefit illustrations. They also established a mechanism for regularly notifying policyholders of important information and incorporated the Directions into the insurance industry’s internal control and internal audit procedures. These amendments aim at improving policy transparency, strengthening internal controls, and upholding policyholders’ rights and will take effect on January 1, 2027.

FSC continues to promote bringing financial leasing companies under the Financial Consumer Protection Act

To enhance consumer protection, the FSC plans to bring members of the Taipei Leasing Association engaged in accounts receivable acquisition, installment sales, or similar financing businesses for individuals under the Financial Consumer Protection Act in

three phases. Following the completion of the first two phases in September 2025 and March 2026, the FSC announced on July 30, 2026, the third phase, which will bring 12 companies under regulation and take effect on September 15. Companies brought under the Act must comply with regulations regarding interest rate and fee disclosure. This will ensure that the advertising and solicitation activities of persons or entities engaged by financial leasing companies comply with regulations, enhance consumer awareness, ensure that funds provided do not exceed the value of an underlying asset, curtail improper debt collection practices, and prohibit financial consumers from being required to sign promissory notes with blank dates or amounts. Consumers will also have access to complaint and review mechanisms. At the end of the three phases, the FSC will continue to encourage other eligible financial leasing companies to join the association and come under regulation to further improve consumer protection.

FSC reminds financial institutions to strengthen preparedness for attacks involving frontier AI models

To assist financial organizations with addressing the cybersecurity risks that may arise from the development of frontier AI models, the FSC released the "Strategies for the Financial Industry to Address the Challenges of AI Attacks" on July 14, 2026. The document reminds financial institutions to plan and execute relevant preparedness measures as soon as possible. Frontier AI models can quickly discover vulnerabilities and generate workable attack strategies, which may significantly shorten the time from vulnerability disclosure to exploitation. Financial institutions must be able to address technical vulnerabilities as well as governance and operational issues like authorization decisions, maintenance, customer impact, reporting obligations, supply chain coordination, and external communication.

At the end of 2025, the FSC released the Financial Operational Resilience on Cybersecurity Ecosystem Blueprint (FORCE-B). In line with the FORCE-B, financial institutions are to prioritize accelerating their implementation and enhancement of cybersecurity resilience measures. The FSC will continue to monitor the evolution of frontier AI model capabilities, international regulatory practices, and the financial industry's operational needs, and will conduct timely reviews of relevant initiatives to maintain the safety and stability of financial services.

FSC launches fintech-themed initiative focused on blockchain finance and artificial intelligence

The FSC launched its 2026 Dual-pillar Fintech Thematic Initiative focused on blockchain finance and artificial intelligence (AI). Key measures include:

1. Hosting international forums and keynote speeches: Sharing international development trends and experiences at FinTech Taipei 2026.
2. Organizing the 2026 FinTech Taipei Awards: Conducting innovation competitions to explore innovative financial solutions with market viability and development potential.
3. Promoting industry alliance projects: The Taiwan FinTech Alliance is advancing AI-powered anti-fraud mechanisms and financial large language models (FinLLMs); it is also collaborating with virtual asset service providers to jointly develop technical standards and innovative applications for virtual assets.
4. Encouraging financial institutions to apply for innovative experiments, business pilot programs or proof-of-concept projects utilizing fintech-themed technologies.

Under the premise of balancing innovation and risk management, the FSC will continue to leverage fintech-themed initiatives, policy guidance and cross-sectoral collaboration to accelerate the development of diverse and innovative applications in blockchain, AI and other emerging technologies across the financial sector.

FSC issues interpretive order concerning Paragraph 3 of Article 16, Paragraph 4 of Article 21, and the Proviso to Paragraph 1 of Article 24 of the "Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries"

In line with the amended "Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries," issued by the FSC, on May 6, 2026, the FSC issued an interpretive order concerning Paragraph 3 of Article 16, Paragraph 4 of Article 21, and the proviso to Paragraph 1 of Article 24 on August 10, 2026. The order stipulates that bills finance companies with a net worth of NT\$10 billion or more and total assets of NT\$100 billion or more at the close of the previous fiscal year are required to appoint a vice president or above as chief compliance officer, chief risk management officer, and chief information security

officer. For companies not meeting the aforementioned thresholds, a senior manager or above is required to be appointed to these positions.

FSC amends "Regulations Governing the Consolidated Capital Adequacy of Financial Holding Companies"

As the insurance industry aligns with the Taiwan Insurance Solvency (TIS) system, and to address the impact on group capital adequacy ratios of financial holding companies with insurance subsidiaries during the initial stage of implementation, regulations concerning the group capital adequacy ratio for financial holding companies have been revised. The revisions add provisions permitting the reporting deadline to be separately determined by the competent authority, allowing the use of capital requirements for insurance subsidiaries determined under the optional transitional measures, and instituting an exemption mechanism for the reduction of capital surplus from capital bonds. The revisions also incorporate the definition of Category 1 restricted capital for the insurance industry. The revised regulations and interpretations were issued on August 4, 2026, and applied retroactively from January 1, 2026.

FSC amends Article 4 of the "Regulations Governing the Capital Reduction at the Subsidiaries of a Financial Holding Company"

With the 2026 implementation of the Taiwan Insurance Solvency, which has led to a difference in the calculation of insurance companies' capital resources and the capital adequacy ratio, and in order to facilitate system continuity, maintain flexibility for the use of capital by insurers, and comply with relevant provisions of the Insurance Act, Article 4 of the "Regulations Governing the Capital Reduction at the Subsidiaries of a Financial Holding Company" was amended on August 6, 2026. With the revisions, the requirement that the capital adequacy ratio of insurance subsidiaries after capital reduction must be at least 300 percent was amended to require a ratio of at least 1.5 times the statutory standard for capital adequacy stipulated in Subparagraph 1 of Paragraph 2 of Article 143-6 of the Insurance Act. Additionally, a proviso was added to the article.

FSC amends "Regulations Governing the Taiwan Residential Earthquake Insurance Fund"

As the Taiwan Residential Earthquake Insurance Fund ("the Fund") continues to grow, the FSC has added domestic money market securities investment trust funds as an investment option for the Fund to improve the efficient use of funds and diversify risks while ensuring liquidity and security. Also, in accordance with the provisions of Subparagraph 5 of Paragraph 1 of Article 146-1 of the Insurance Act, the FSC has added a provision that the total amount of the Fund invested in New Taiwan dollar-denominated investment-grade bond investment trusts, stock index investment trusts, and money market investment trusts, raised and issued domestically by domestic securities investment trust enterprises, is not to exceed 10 percent of the total amount of the Fund.

Investor and Consumer Protection

2026 Financial Literacy Campaign for the Campus and Community

The FSC's 2026 Financial Literacy Campaign for Campuses and Communities program, in association with school groups, held a total of 550 activities from January through August at the Tianzhong District Women's Center and by school groups in Changhua County attended by 32,312 people. The free program has proven popular since its inception in 2006. As of the end of 2025, a total of 10,053 events had been held and over 1.3 million people had attended. The target participants include students at all levels, communities, women's groups, indigenous people, immigrants, military personnel, correctional institutions, social welfare groups, senior citizens' groups, police, firefighters, coast guard personnel, and taxi drivers. The FSC Banking Bureau will continue to hold continuing education on financial literacy in 2026. Interested schools or groups can apply online or call (02) 8968-9712.

Industry Updates

FSC permits O'pay Electronic Payment Co., Ltd. to operate outbound small-amount remittance business and concurrently, engage in outbound small-amount remittance services for foreign migrant workers

The FSC granted permission to O'pay Electronic Payment Co., Ltd. on July 14, 2026, to operate outbound small-amount remittance services and, concurrently, engage in outbound small-amount remittance services for foreign migrant workers. The company is

the first electronic payment institution to have obtained the FSC's approval to operate such services. The scope of approved business includes providing electronic payment account users with the ability to remit funds to Vietnam, while also allowing Filipino, Indonesian, and Vietnamese migrant workers to remit wages back to their home countries.

With the launch of outbound small-amount remittance services, electronic payment institutions can serve various groups, covering Taiwanese and foreign nationals in Taiwan, including new immigrants and international students participating in industry-academia collaboration programs. This provides more convenient and diverse remittance channels, promotes financial inclusion, and enhances the comprehensiveness of financial services offered by electronic payment institutions, thereby further improving the payment ecosystem.

FSC approves Land Bank of Taiwan application to provide financial products and services to high-asset customers

Following its issuance of the "Regulations Governing Banks Conducting Financial Products and Services for High-Asset Customers" on August 7, 2020, the FSC published revisions on March 3, 2025 that fully permit banks to provide services to high-asset clients via a phased relaxation on business items. Land Bank of Taiwan has submitted concrete plans regarding the investment of resources and information systems for the training and allocation of personnel, development of related products, and client investment risk management related to this business. It has also established a responsibility map, enhanced the supervisory and management responsibilities of the board of directors and the accountability mechanism for senior management to create a sound corporate culture while implementing fair treatment of customers and sound corporate governance. Including Land Bank of Taiwan, the FSC has approved 25 banks to engage in high-asset customer business.

Kaohsiung Asset Management Zone marks first anniversary

The Kaohsiung Zone of the Asian Asset Management Center marked its first year of operation. With the joint efforts of the central and local governments and the financial sector, the Zone has evolved from a policy blueprint into tangible results. It is now an important foundation underlying the policy to promote Taiwan as an Asian asset management center. On July 24, 2026, Premier Cho Jung-Tai, accompanied by FSC Chairperson Peng Jin-Lung and Kaohsiung Mayor Chen Chi-Mai, attended a press conference in honor of the anniversary and toured some of the banks operating in the Zone to gain a firsthand understanding of financial institutions' asset management services and business operations, jointly witnessing the achievements made in the Zone in its first year of operation.

FSC approves Bank Sinopac's merger with King's Town Bank Co., Ltd.

The FSC approved the merger of Bank Sinopac with King's Town Bank Co., Ltd. ("King's Town Bank") on July 24, 2026. Bank Sinopac will be the surviving entity. The merger was approved on March 27, 2026, by the board of directors of each bank acting on behalf of the bank's shareholders. The merger will be paid for partly through the issuance of new shares and partly in cash. As of the end of December 2025, the assets of Bank Sinopac and King's Town Bank totaled NT\$2.83 trillion and NT\$360 billion, respectively. The surviving bank after the merger will have assets of roughly NT\$3.19 trillion, capital of roughly NT\$129.4 billion, and 191 domestic branches.

FSC announces review results for first batch of banks applying to adopt the Internal Ratings-Based Approach for credit risk capital requirements

The FSC conducted a comprehensive review of the seven banks that applied in the first batch. The process included desk reviews, on-site reviews, and a one-year trial period. It covered such aspects as risk management, model development and validation, data quality, and model governance. The FSC confirmed that these banks met the requirements for adopting the Internal Ratings-Based (IRB) Approach. Accordingly, Taiwan Cooperative Bank, First Commercial Bank, Mega International Commercial Bank, Taipei Fubon Commercial Bank, Cathay United Bank, E.SUN Commercial Bank, and CTBC Bank have been approved to adopt the IRB Approach for calculating capital requirements for credit risk from Q4 2026. The output floor ratio will be gradually reduced over a five-year transition period. Adopting the IRB Approach enables banks to measure credit risk and capital requirements more accurately, thereby enhancing their risk management capabilities. While applying the IRB Approach, banks must continue to meet relevant financial thresholds. The FSC will continue to monitor their implementation of

the IRB Approach and expects to begin accepting applications from a second batch of banks in the second half of 2027.

FSC approves Chang Hwa Commercial Bank to apply to establish a representative office in Phoenix, Arizona

FSC approved Chang Hwa Commercial Bank's application to the United States authorities to establish a representative office in Phoenix, Arizona, on July 30, 2026, to support the financing needs of Taiwanese businesses in connection with their development and operations in the United States and to provide them with integrated cross-border services. At present, Taiwanese banks have established 25 branches, three subsidiaries, and four representative offices in the United States, with one representative office and one loan office in Arizona.

FSC approves Taishin International Commercial Bank merger with Taiwan Shin Kong Commercial Bank

The FSC approved the merger of Taishin International Commercial Bank ("Taishin Bank") with Taiwan Shin Kong Commercial Bank ("Shin Kong Bank") on August 4, 2026. Taishin Bank will be the surviving entity after the merger. The merger was approved on June 4, 2026, by the board of directors of each bank acting on behalf of the bank's shareholders. The merger will be paid for through the issuance of new shares and cash, with a provisional merger date of January 1, 2027. As of the end of March 2026, Taishin Bank and Shin Kong Bank had total assets of approximately NT\$3.3 trillion and NT\$1.4 trillion, respectively. The surviving bank after the merger will have assets of NT\$4.7 trillion, capital of NT\$170.3 billion, and 204 domestic branches.

FSC hosts award ceremony and symposium on the 2025 Evaluation of Trust Business Development by Trust Enterprises

The FSC held the award ceremony and symposium on the 2025 Evaluation of Trust Business Development by Trust Enterprises on August 10, 2026. FSC Chairperson Dr. Jin-Lung Peng presented awards to the winning firms, while attendees included representatives of central and local government agencies, social welfare groups, and financial institutions.

This event was held in accordance with the "Trust Business Development Evaluation and Reward Measures," and recognized outstanding performers in 2025.

The award recipients were:

- I. Best Trust Award: Mega International Commercial Bank, First Commercial Bank, Hua Nan Commercial Bank, Taiwan Cooperative Bank, Chang Hwa Commercial Bank
- II. Elderly Care Trust Award:
 - (I) Group A: Chang Hwa Commercial Bank, Land Bank of Taiwan, Hua Nan Commercial Bank, Taipei Fubon Commercial Bank, First Commercial Bank, Mega International Commercial Bank
 - (II) Group B: Far Eastern International Bank, Bank of Kaohsiung
- III. Employee Benefit Trust Award: CTBC Bank, Taiwan Cooperative Bank, Chang Hwa Commercial Bank
- IV. Trust Business Innovation Award: Taiwan Cooperative Bank, Bank of Taiwan, First Commercial Bank, and Bank SinoPac

First FinTech regulatory sandbox project of 2026—"Stock Gift Cards"—successfully completed; FSC encourages continued innovation

A "Stock Gift Card" FinTech regulatory sandbox experiment by SinoPac Securities Corporation previously approved by the FSC has been completed. The results demonstrated that the stock gift cards are innovative, encourage broader participation in the capital market, promote financial inclusion, and expand the scope of securities services. The FSC has completed the necessary regulatory amendments to allow this business to be formally launched to the public. It further encourages financial institutions to engage in financial innovation and apply to conduct innovative experimentations or business trials to seize emerging market opportunities.

If firms encounter regulatory uncertainties during the development of their innovative ideas, they are welcome to exchange views through the FSC's Regulatory Clinic consultation service or via other advisory mechanisms. This collaborative approach will enhance the efficiency and feasibility of innovative initiatives, thereby serving to build a secure, resilient, and innovative financial market.

Sales of spillover-effect insurance products and provision of in-kind benefits by life insurers in 2026 through Q2

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

1. The FSC has approved or accepted registrations of 338 spillover-effect insurance products from 15 life insurance companies. In

total, 745,934 new contracts for such products have been sold as of the second quarter of 2026, up by 29 percent from the 578,275 in the second quarter of 2025. First-year premium income was NT\$48,800.08 million, up by 152 percent from the NT\$19,333.62 million in the second quarter of 2025.

- The FSC has approved or accepted registrations of 53 in-kind payment insurance products from seven life insurance companies. In total, 228,523 new contracts for such products have been sold as of the second quarter of 2026, down by 5 percent from the 240,729 in the second quarter of 2025. The first-year premium income was NT\$229.48 million, down by 56 percent from the NT\$523.92 million in the second quarter of 2025.

The FSC will continue to encourage insurers to develop health management insurance products with spillover effects and in-kind benefit products to help people pay more attention to health management and satisfy policyholders' need for a diverse array of insurance protections.

NPLs at domestic banks as of the end of July 2026

Unit: NT\$1 billion / percentage points

	End July 2026	End June 2026	Increase/Decrease
Total outstanding loans	48,853	47,813	Increased by 1,040 billion
NPL ratio	0.14%	0.14%	-
Coverage Ratio	941.22%	939.51%	Increased by 1.71 percentage points

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

NPLs at credit cooperatives as of the end of July 2026

Unit: NT\$1 billion / percentage points

	End July 2026	End June 2026	Increase/Decrease
NPLs	0.89	0.85	Increased by NT\$ 0.04 billion
NPL ratio	0.13%	0.12%	Increased by 0.01 percentage points
Coverage Ratio	1,915.51%	1,991.51%	Decreased by 76 percentage points

As of the end of July 2026, there were 23 credit cooperatives in Taiwan, and their asset quality continuously remained manageable as seen in the above figures. The FSC will require credit cooperatives to undertake measures to improve asset quality and financial structure on an ongoing basis.

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

- Net foreign and mainland China investment in listed shares

Unit: NT\$1 billion

Through end July 2026		TWSE-listed shares	TPEx-listed shares
Foreign Investors	Bought	49,505.56	9,471.84
	Sold	50,971.31	9,497.83
	Net bought (sold)	(1,465.75)	(25.99)
Mainland China investors	Bought	12.67	1.67
	Sold	8.97	2.13
	Net bought (sold)	3.70	(0.46)
Total		(1,462.05)	(26.45)

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

Unit: US\$1 billion

	End July 2026	End June 2026	Increase (Decrease)
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Cumulative net (outward) inward remittances from offshore foreign institutional investors and foreign individual investors	393.81	396.77	(2.96)
Cumulative net (outward) inward remittances from mainland China investors	0.20	0.17	0.03
Total	394.02	396.94	(2.93)

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

Unit: NT\$1 billion

	End May 2026	End May 2025	Increase (Decrease)
Investment-linked insurance	45.60	22.26	105%
Traditional life insurance	187.89	129.18	45%
New-policy premium income (total)	233.50	151.44	54%

Gender ratio of employees at insurance enterprises

Types of Institutions	2025				
	Total	Male		Female	
		Number	Percent	Number	Percent
Non-life Insurers	153,207	52,441	34.23%	100,766	65.77%
Life Insurers	205,633	67,041	32.60%	138,592	67.40%

Major Penalties

FSC sanctions Taishin Securities Co., Ltd. for violation of "Regulations Governing Securities Firms"

Taishin Securities Co., Ltd. ("Taishin Securities") failed to properly plan and test its information systems, resulting in multiple major cybersecurity incidents after its merger. This indicates a failure to properly implement its internal control system, in violation of Paragraph 2 of Article 2 of the "Regulations Governing Securities Firms." In accordance with Subparagraph 4 of Paragraph 1 of Article 178-1 of the Securities and Exchange Act, a fine of NT\$3.6 million was imposed. Also, in line with Subparagraph 1 of Article 66 of the same act, a warning was issued and in line with Subparagraph 5 of the same article, Taishin Securities was ordered to increase its provision for operational risk in its capital adequacy ratio by 100 percent until it has rectified the cybersecurity issues that have been discovered. Taishin Securities has been ordered to submit specific short-, medium-, and long-term system improvement plans within three months from the date of the ruling and to report improvement measures and implementation status to its board of directors and its financial holding parent company until improvements are completed. Taishin Securities is also ordered to commission a reputable cybersecurity professional third-party institution to conduct verification. Finally, Taishin Securities has been ordered to decide on punishment of related personnel involved and report its findings to the FSC within three months.

FSC levies administrative penalty on Taiwan Cooperative Bank for deficiencies in handling disputed credit card transactions

Taiwan Cooperative Bank failed to promptly request a refund from international credit card organizations for disputed credit card applications from customers that resulted in losses of approximately NT\$101.64 million. This was in violation of Paragraph 1 of Article 45-1 of the Banking Act and represented a potential impediment to sound business operations. The FSC therefore imposed a fine of NT\$12 million in accordance with Paragraph 7 of Article 129 of the Banking Act, and ordered corrective action be taken in line with Paragraph 1 of Article 61-1 of the same act. Furthermore, in accordance with Paragraph 2 of the same article, the bank has been prohibited from accepting new credit card applications for one month, pending FSC approval of improvements.