

金融展望月刊

Financial Outlook Monthly

Publisher Wellington L. Koo

Advisor Cheng Cheng-Mount
Huang Tien-Mu
Shih Chiung-Hwa

Executive Editor

Department of Planning

Publishers & Editorial Office

Financial Supervisory
Commission

Add 18F., No.7, Sec. 2, Xianmin
Blvd., Banqiao Dist., New
Taipei City 22041, Taiwan,
Republic of China

Tel 8968-0899

Fax 8969-1271

E-mail planning@fsc.gov.tw

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

GPN 2009305443

ISSN 1992-2507

*The Chinese version rules if
any contradiction in meaning
exists between the Chinese
version and English version.

August 2018

《Chinese version please refer to page 1》

No.165

Ministry of Justice Anti-Corruption Hotline 0800-286-586

Anti-Corruption Hotline 0800-088-789

- Results seen in promotion of the Green Finance Action Plan by FSC and related ministries
- FSC held a public hearing on the policy of internet-only banks establishment
- Explanation of the policy for providing incentives for merger of financial institutions
- Introduction of the Regulations on Guiding and Assisting Financial Technology Development
- FSC encourages insurers to sell and design insurance products suitable for elderly people

Policy and Law

Results seen in promotion of the Green Finance Action Plan by FSC and related ministries

At the Cabinet Meeting on July 5, 2018, the FSC reported the handling situation of the Green Finance Action Plan and initial results. Premier Lai Ching-te gave his affirmation and instructed related ministries to cooperate in executing the Plan to help bring about transformation of industrial structure and sustainable development of environment.

The FSC stated that the Green Finance Action Plan was formulated in support of the nuclear-free homeland, energy transformation and emission reduction policies and taking into account international green finance trends and it was approved by the Executive Yuan on November 6, 2017. The Plan includes seven main aspects, namely credit, investment, raising funds on the capital markets, talent nurturing, promoting the further development of green finance products or services, information disclosure and promotion of green sustainability concepts, with 25 measures in all, and is being implemented jointly by agencies including the Ministry of Economic Affairs, Ministry of Finance, National Development Council, Environmental Protection Administration, and National Development Fund. The major results at present are:

1. Encouraging domestic banks to lend to the green energy industry, expanding the scope of application of the Equator Principles and relaxing regulations on lending and fund raising by foreign banks to assist the green energy industry to obtain the financing required.
2. Establishing and developing the green bond market in Taiwan to allow industries to raise funds for environmental improvement and green transformation and guide responsible investments in the capital market.
3. Encouraging funds including insurance firms to invest in the green energy industry by indirect investment means such as private equity funds, venture capital and venture capital management consulting companies.
4. Green finance talent will continue to be nurtured through related courses held by the Taiwan Academy of Banking and Finance and other associated financial organizations to strengthen the training of financial talent with understanding of the green energy industry.

The FSC stated that the seven aspects encompassing 25 measures of the Green Finance Action Plan are being implemented according to schedule and will be subject to rolling review and update; at present, relaxation of financial regulations is basically completed and there have been cases and progress with regard to green credit, investment, fund raising, nurturing talent etc. Looking forward to the future, some Plan measures will have to wait until further diverse market development, for example, the development of offshore wind power generation related insurance by insurance firms, and the formulation of green assessment services (green credit rating) by credit rating agencies. The FSC encourages financial institutions to make the concept of environmental sustainability part of corporate culture, and guided by the green guidelines of the Green Finance Action Plan, to enhance their competitiveness to create a win-win situation for the financial industry, industrial entities and the social environment.

FSC held a public hearing on the policy of internet-only banks establishment

The FSC explained the policy with regard to internet-only banks establishment in Taiwan on April 26, 2018 and heard suggestions about planning of the establishment from the public. During the consultation period, financial institutions, fintech businesses, telecom businesses, e-commerce business operators, law firms, CPA firms, business management consulting firms and social welfare groups put forward suggestions on four main aspects, including requirements of founders, application for establishment, physical presence and internet-only bank's business and practice. The FSC also held a public hearing on internet-only banks establishment on June 29, 2018 during which each of the suggestions was discussed with various units. The FSC also collected feedback from the public to serve as reference for the following planning. It is hoped that related policies will encourage fintech development in Taiwan and provide the public with more complete financial services.

Explanation of the policy for providing incentives for merger of financial institutions

To promote the merger of financial institutions to increase scale and facilitate implementation of an international strategy, the FSC has put forward the policy direction for providing the incentives for merger of financial institutions, giving financial holding companies or banks that already meet the eligibility requirements for major shareholders the opportunity to first acquire a stake of more than 10% in another financial institution by equity participation and then discuss merger, with a capital requirement flexible handling scheme as an incentive. The FSC stated that current regulations that need adjusting in line with this policy direction are the Regulations Governing the Investing Activities of a Financial Holding Company, the Conditions to be Met and Documents to be Submitted by Commercial Banks Investing in Other Enterprises, the regulations on the scope of financial related business banks can invest in, and calculation of capital adequacy rate for financial holding companies and banks. The FSC will hold a public hearing to collect feedback from the public to serve as reference for the following amendment to the regulations.

Introduction of the Regulations on Guiding and Assisting Financial Technology Development

In line with the provisions of Paragraph 2, Article 18 of the Financial Technology Development and Innovative Experimentation Act, the aforementioned Regulations were set on July 2, 2018 to facilitate R&D of fintech innovative applications. The main points are:

1. Scope of guidance and assistance measures: The guidance and assistance measures the competent authority can adopt with regard to financial institutions, companies, groups or individuals that provide financial services with innovative technology (hereinafter referred to as fintech innovators) include adjusting financial regulations, establishing fintech development physical communities, enhancing information security of fintech infrastructure and technology application, and assisting with assessment of the necessity of applying to conduct a fintech innovative experiment (hereinafter referred to as innovative experiment).
2. Fintech development: The competent authority should hold regular fintech development related seminars, provide information security related consultation, establish or provide guidance for the establishment of fintech development physical communities and provide fintech innovators with suitable office space and rent reduction etc.
3. Fintech entrepreneurship: The competent authority should serve as intermediary for use of the fintech digital sandbox platform, provide guidance to fintech innovators with evaluating the necessity of applying for innovative experimentation, hold public explanatory meetings and provide individual guidance to those that require it.
4. Fintech space establishment and management: The competent authority can establish or provide guidance for the establishment of fintech innovation spaces, and can coordinate a professional juristic person or group with related experience as the executive institution to carry out fintech space establishment, management etc.

FSC encourages insurers to sell and design insurance products suitable for elderly people

To encourage insurers to sell and design insurance products suitable for elderly people, the FSC has amended the Order on the Interpretation of Paragraph 9, Article 15 of the Regulations Governing Foreign Investments by Insurance Companies, increasing the weighting of insurance products for the elderly in the life insurance company's product structure composite score, and it was effective from July 1, 2018. Life insurance companies that meet the life insurance company's product structure composite score requirement set by the competent authority may suitably increase their overseas investment amount. To meet the needs of an aging society, the FSC encourages insurers to provide more insurance products suitable for elderly people to assist people in Taiwan to plan for economic security and medical care in old age and thus strengthen the social security net.

Amendment to the Regulations Governing Information to be Published in Financial Institution Prospectuses for Offering and Issuance of Securities and the Regulations Governing Information to be Published in Annual Reports of Financial Holding Companies

To increase the transparency of information such as recruitment standards and duties when retired chairmen or managing directors return to a company as consultants and urge banks to implement protection of employee rights and interests, on July 6, 2018 the FSC amended the Regulations Governing Information to be Published in Financial Institution Prospectuses for Offering and Issuance of

Securities and Regulations Governing Information to be Published in Annual Reports of Financial Holding Companies, Banks, and Bills Finance Companies.

FSC agrees to remove the limit of 78% on Loan-to-Deposit Ratio to credit cooperatives

Taking into account that the finances and business of credit cooperatives are sounder than when the aforementioned limit was announced and related monitoring and control indicators are in place, the FSC lifted the limit of 78% on credit cooperatives' Loan-to-Deposit Ratio on June 3, 2018.

Amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the Regulations Governing the Preparation of Financial Reports by Securities Firms, the Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants and the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises

In line with the adoption of International Financial Reporting Standards No. 16 "Leases" (IFRS 16) in 2019, the FSC announced partial amendments to the aforementioned regulations on July 13 and July 30, 2018 to enhance the transparency of financial information. The amendments include addition of accounting items including "right-of-use asset" and "lease liability" and stipulation that information relevant to leases should be disclosed in line with the requirements of IFRS 16. Besides, the amendments take into account external suggestions and regulatory needs, revise the regulations on measuring trade receivables (notes), stipulate that age of receivables should be disclosed and also adjust related appendices to employee benefits expenses.

Amendments to the Regulations Governing Offshore Funds

On July 13, 2018, the FSC introduced amendments to certain articles of the Regulations to be in line with the amendments of Securities Investment Trust and Consulting Act, and to enhance operation flexibility of investment consulting services relating to offshore funds conducted by securities investment consulting enterprises ("SICEs"). A total of three articles are amended this time:

1. Introducing a new regulation that lays down the criteria that a SICE has to meet for approval for its application of offshore funds consulting business.
2. Introducing a new regulation that in the case of an offshore fund represented by the master agent, the resumption of transactions of the classes that are offered and sold in Taiwan, the master agent shall submit to the Securities Investment Trust and Consulting Association in advance for review and approval, and publicly announce the matter within 3 days after the approval.
3. When an offshore fund institution conducts private placements of offshore funds with natural persons, juristic persons, or funds that meet the conditions set by the competent authority, the total number of counterparties may not exceed 99 persons.

Amendments to the Regulations Governing Securities Investment Trust Funds

On July 23, 2018, the FSC introduced amendments to certain articles of the Regulations to be in line with the Securities Investment Trust and Consulting Act, and to enhance the competitiveness of securities investment trust enterprises ("SITES") and operation flexibility of securities investment trust funds. A total of ten articles are amended this time, and the key points are:

1. In managing a securities investment trust fund to invest or trade, the SITE shall include the process of analysis, decisions, execution, and review in the internal control system and faithfully implement the system. The records of control activities shall be kept for at least 5 years.
2. The restriction on the investment by funds in structured interest rate products does not apply to the investments in floating rate bonds; bond funds that mainly invest in floating rate bonds (accounting for up to 60% of the fund's net asset value) are not subject to the requirement that the weighted average duration of the fund portfolio shall exceed one year.
3. In order to increase competitiveness of SITES and encourage these enterprises to provide diversified and innovative fund products to investors, SITES that comply with the conditions set in the "Plan to Advance Excellence for SITES" are allowed to specify the types, scope and percentages of investment in domestic and foreign securities in the securities investment trust agreement, and such terms and conditions are not subject to current regulations governing the investments.
4. When the SITE conducts private placements of beneficiary

certificates with natural persons, juristic persons, or funds that meet the conditions set by the competent authority, the total number of counterparties may not exceed 99 persons.

Amendments to the Regulations Governing the Conduct of Discretionary Investment Business by Securities Investment Trust Enterprises and Securities Investment Consulting Enterprises

On July 30, 2018, the FSC introduced amendments to certain articles of the Regulations for alignment with the Securities Investment Trust and Consulting Act (hereinafter referred to as the Act) in order to provide incentives to offshore professional institutional investors for the engagement of domestic institutions to make discretionary investments and to help increase the assets managed by these institutions. A total of eight articles are amended this time, and the key points are:

1. For alignment with Paragraph 7, Article 62 of the Act, several regulatory requirements do not apply to professional institutional investors who are defined in Paragraph 2, Article 4 of the Financial Consumer Protection Act and have designated the custodian for the assets of discretionary investments. These requirements include placing the assets in the full fiduciary custody of the custodian institution by the client, signing a contract with the custodian institution, regulatory preparations before signing a discretionary investment contract, using transaction fees returned or other benefits to offset the customer's transaction costs, fulfilling the monthly reporting obligation and notifying impairments of net asset value.
2. When a SITE or SICE that obtained business license for less than one fiscal year applies for the approval of its discretionary investment business, the stipulation that its net asset value of each share shall not be lower than the par value no longer applies to.
3. SITEs and SICEs shall create and implement the internal control system for their analysis, decisions, execution and review investments and transactions with the assets of discretionary investments. The records of control activities shall be kept for at least 5 years.

Amendment to Paragraph 6 of the Directions for Sale of Investment-linked Insurance Products

In order to safeguard rights and interests of senior holders of investment-linked insurance policies, the FSC introduced an amendment to Paragraph 6 of the Directions on July 19, 2018. The key points of the amendment are:

1. The FSC introduced the regulatory requirement on preservation of audio and video records of the communication between customers over 70 years old and the sales representatives in the sales process with customers' consent or the preservation of information related to operation activities with electronic equipment. Insurance companies are also required to underwrite the policies only after their appropriate units or personnel review these records and confirm appropriateness of the transactions of the insurance products.
2. The aforementioned sale process shall include but not limited to the following items:
 - (1) Insurance solicitors shall present their registration certificates for the information about their companies and the investment-linked insurance products they are allowed to sell.
 - (2) Policy holders shall be informed of the product types, i.e. investment-linked insurance, insurance company name, the relation between the solicitor and the insurance company, premium payment period, the amount of premium payment, policy-related expenses (including insurance expense, such as cost of insurance) and the payment collection method.
 - (3) Insurance companies shall explain important clauses of the insurance contract, investment risks, exceptions, policy recommendations and important information in the product brochure.
 - (4) Insurance companies shall explain the right to cancel the policy.
 - (5) Insurance companies shall ask the customers whether they are aware of the annual premium amount and the risk of losing money when the investment return is not desirable and shall confirm whether the customers can afford the premium and potential loss.

International Activities

FSC Vice Chairman Huang led a delegation to the 13th Asian Forum of Insurance Regulators (AFIR)

FSC Vice Chairman Huang led a delegation to the 13th Asian Forum of Insurance Regulators held in Hong Kong on June 7-8, 2018. The Forum theme was "Building an Effective Regulatory Regime in a

Changing Landscape"; opinions were exchanged with regulators from various countries on a wide range of topics.

Industry Updates

FSC agreed to allow First Commercial Bank to set up a representative office in Jakarta, Indonesia

On July 3, 2018 the FSC agreed to allow First Commercial Bank to apply to the Indonesian financial competent authority to set up a representative office in Jakarta.

First Commercial Bank plans to set up the office to tap business development opportunities in the ASEAN market, increase the growth momentum overseas businesses, and expand its operating foundation in the Asia-Pacific region; the office will allow the bank to understand the local environment and grasp potential financial business opportunities. At present, domestic banks have two representative offices and one subsidiary bank in Indonesia.

List of approved financial institutions in the first application for establishing new domestic branches in 2018

Taking into account the overall economic and financial situation, balanced urban-rural development and the financial and business situation of the applying institutions, the FSC approved the following new branches in the first applications for establishment of new branches by domestic banks and credit cooperatives in 2018:

1. Domestic banks: addition of three branches by Shanghai Commercial and Savings Bank, (Taipei City, New Taipei City and Hsinchu City), two branches by Sunny Bank (Taichung City and Taoyuan City) and two branches by CTBC Bank (Nantou County and Taidong County) were approved.
2. Credit cooperatives: addition of one new branch by First Credit Cooperative of Hsinchu (Bade District, Taoyuan City), one branch by Second Credit Cooperative Association of Taichung (Beiitun District, Taichung City) and one branch by Tamshui Credit Cooperative (Luzhou District, New Taipei City) were approved.

Issue of new futures products and increase in products that can be traded after hours

To provide more channels for investing and hedging to investors, the Taiwan Futures Exchange introduced Brent crude oil futures contracts on July 2, 2018 and included them in after-hours trading. On July 2, products including gold futures and gold options contracts were also included in after-hours trading.

From July 2018 publicly held companies can file issuance of new bonus shares cases online

To simplify the process and reduce the cost for filing issuance of new bonus shares cases and reduce the cost of filing for companies, the FSC has set up the Issuance of New Bonus Shares Online Filing System for use by domestic publicly held companies for online filing of issuance of new bonus shares. The system begins operating in July 2018. According to the FSC's promotion schedule, filing of issuance of new bonus shares cases by publicly held companies will adopt a dual track system (paper filing and online filing) from July 2018 and adopt total online filing in 2019.

Profit/loss, net value and exchange gains/losses of the insurance industry in May 2018

The pre-tax profit of insurance enterprises was NT\$52.4 billion at the end of May 2018, up by NT\$41 billion, or 359.6%, compared with the same period last year; the pre-tax profit of life insurance enterprises was NT\$44.7 billion, up by NT\$39.4 billion, or 743.4%, compared with the same period last year. The owners' equity of insurance enterprises was NT\$1,467.7 billion at the end of May 2018, up by NT\$171.4 billion, or 13.2%, compared with the same period last year; the owners' equity of life insurance enterprises was NT\$1,350 billion, up by NT\$163.6 billion, or 13.8%, compared with the same period last year.

The net effects of exchange gains/losses of life insurance enterprises from 2018 to the end of May were about minus NT\$80.3 billion. The balance of foreign exchange valuation reserve by life insurance enterprises was NT\$42.8 billion, up by NT\$8.6 billion from the previous month.

Adjustments to relevant reports and filled-in manuals for calculation of RBC ratio of insurance industry for the first half of 2018

The FSC made adjustments to relevant reports and filled-in manuals for calculation of RBC ratio of insurance industry to meet the requirements of IFRS 9 Financial Instruments ("IFRS 9"), which has been adopted since January 1, 2018. The adjustments are as follows:

1. When unlisted stock incurs unrealized gains/losses due to measurement at fair value for adoption of IFRS 9, the losses on valuation shall be 100% recognized, while the gains on valuation shall be 80% recognized.
2. Considering that the calculation of liability reserve is still based on assumption of written policies, in accordance with asset-liability matching principle, bond investments of insurance industry shall still be measured at the amortized cost base after adoption of IFRS 9.
3. Financial asset impairment shall be assessed according to expected loss model as required by IFRS 9. The position of credit risk shall not include expected credit losses and the position of actual impairment that might be incurred during the effective period in order to avoid repetition in the calculation.
4. The effects incurred by the adoption of IFRS 9 on Day 1 shall not be incorporated into the calculation of rate of return on fund utilization. The amounts of ending utilized fund of prior period and current period shall be the amounts recognized under IFRS 9.

NPL ratio for domestic banks at 0.28% as of the end of June 2018

The total outstanding loans of domestic banks stood at NT\$ 27.81 trillion as of the end of June 2018, up by NT\$58.9 billion from the previous month while their total NPLs were NT\$76.8 billion, up by NT\$1.2 billion from the previous month's figure of NT\$75.6 billion, generating an average NPL ratio of 0.28%, up by 0.01 percentage points from 0.27%, at the end of May 2018. The NPL coverage ratio of domestic banks stood at 492.81% at the end of June 2018, down by 2.42 percentage points from the figure of 495.23% at the end of the previous month.

NPL ratio for credit cooperatives at 0.13% as of the end of June 2018

Total NPLs at Taiwan's 23 credit cooperatives stood at approximately NT\$591 million as of the end of June 2018, generating an NPL ratio of 0.13%, the same as the ratio at the end of May 2018. The NPL coverage ratio, in the meantime, was 1,544.52%, up by 3.6 percentage points from 1,540.92% at the end of May 2018.

Net foreign investment in listed shares

As of the end of June 2018, foreign and Mainland China investors had bought around NT\$4,019.4 billion and sold around NT\$4,281.5 billion worth of shares on the Taiwan Stock Exchange, making for a cumulative outward investment of around NT\$262.1 billion. Meanwhile, on the Taipei Exchange, foreign and Mainland China investors bought around NT\$480.5 billion and sold around NT\$483.2 billion, making for a net outward investment of around NT\$2.7 billion. The figure for cumulative net inward remittances by offshore foreign institutional investors, Mainland China investors, offshore overseas Chinese and foreign nationals as of the end of June 2018 stood at approximately US\$204.8 billion, down by around US\$1.9 billion from the US\$206.7 billion at the end of May 2018.

Investor and Consumer Protection

FSC reminds the public of the ICO-related risks

The FSC issued a press release on June 22, 2018 to explain Initial Coin Offering (ICO) fund-raising behavior and remind the public to pay attention to the related risks as follows:

1. ICO refers to the issue of virtual products by enterprises and their sale to investors to raise funds. Whether or not the virtual products issued by ICO are securities subject to the regulations of the Securities and Exchange Act should be decided case by case.
2. If the virtual products issued by ICO are securities subject to the Securities and Exchange Act, the ICO issuer offers those securities to the general public without the approval of the FSC may be in breach of regulations in Article 22 of the aforementioned Act and bear criminal liability set in Paragraph 2, Article 174 of the Act; the ICO issuer will not be exempt from the said criminal liability even it declares that the virtual products sold are not securities subject to the Act. To date, the FSC has not agreed to any cases of ICO fund raising filing for effective registration under the Act.
3. Prior to investing in the virtual products issued by ICO, the public should fully understand ICO-related investment arrangements and carefully consider investment risks.

Continuing to expand the microinsurance protective umbrella to build a more complete social security net

To allow economically disadvantaged and special groups to purchase basic insurance protection for relatively low premium to avoid families or individuals falling into economic difficulty as a result of insurance

events and to urge insurers to fulfil their social responsibilities, the FSC is actively promoting microinsurance. As of the end of May 2018, 27 insurers were handling microinsurance business (15 life insurance companies, and 12 non-life insurance companies) with the accumulated number of people underwritten 578,000 and the accumulated underwriting amount NT\$189.9 billion. In 2018, the FSC will continue to promote the concepts of microinsurance and insurance protection and provide related supervisory incentives to allow microinsurance to become more universal and build a more complete social security net.

2018 School and Community Financial Literacy Campaign

As part of 2018 School and Community Financial Literacy Campaign, in July 2018, the FSC held 29 financial literacy promotion sessions at schools and organizations, including Taiwan New Taipei District Prosecutors Office, and a total of 1,938 participants attended. The sessions are free and have struck a chord with many people since their inception in 2006. As of the end of 2017, in all, 5,228 sessions had been held and over 890,000 people attended. The target participants include students at all levels of schools, communities, women' groups, indigenous people, immigrants and military service personnel.

The Banking Bureau of the FSC will continue the financial literacy campaign in 2018. Schools or community groups interested in the campaign are invited to register on the website of the Banking Bureau; for more information, please call(02)89689709.

Major Enforcement Actions

KGI Bank was fined NT\$8 million

When conducting foreign currency trading KGI Bank was found to have failed to establish or to properly implement risk management and internal control systems, allowing a trader surnamed Ke to engage in illegal foreign currency trading in violation of Paragraph 1, Article 45-1 of the Banking Act and giving rise to concern about the soundness of operations. The bank was thus fined NT\$8 million under Subparagraph 7, Article 129 of the same Act; under subparagraphs 2, 3 and 5, Paragraph 1, Article 61-1 of the Act. The Bank was also ordered to halt financial transactions outside of daytime trading time for three months from the date the sanction takes effect but not including covering and hedging transactions for existing customers. The bank will only be allowed to restart such trading when the FSC decides that improvements have been made; the bank was also ordered to relieve the trader surnamed Ke from his position and suspend the manager surnamed Huang for three months.

A fine of NT\$3 million imposed on Chang Hwa Bank under Subparagraph 7, Article 129 of the Banking Act after an employee of its Dongguan Branch accepted payment from an appraisal company involving deficiencies of the internal control system in violation of Banking Act regulations

Chang Hwa Bank was found to have shortcomings including an employee of its Dongguan branch accepted payment from a rating company, the head office failed to set up an effective internal control system for the operations of its overseas branches, the selection of overseas branch managers was not based on competency and branch managers dispatched overseas were not given sufficient regulatory training. In violation of Paragraph 1, Article 45-1 of the Banking Act, Chang Hwa Bank was fined NT\$3 million under Subparagraph 7, Article 129 of the same Act.

A fine of NT\$3 million imposed on Hwatai Bank under Subparagraph 7, Article 129 of the Banking Act for shortcomings in its real estate loan business that violated the regulations of the Banking Act

When handling real estate loan business, Hwatai Bank was found to have shortcomings including failure to properly conduct credit checking and lending operations, failure to establish a sound post-loan management mechanism, abnormal exchange of funds between bank lending personnel and customers receiving loans, and failure of branch managers to fulfil their responsibilities in terms of checking and supervising the sharp rise in Non-Performing Loans Ratio and the shortcomings in credit checking and lending operations, failure by the head office to have an effective balancing mechanism in place and failure of internal auditing to fulfil the functions it should have. In violation of Paragraph 1, Article 45-1 of the Banking Act, Hwatai Bank was fined NT\$3 million under Subparagraph 7, Article 129 of the same Act.