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- FSC issues "Guidelines for the Adoption of Zero Trust Architecture in the Financial Sector" to encourage stronger cyber defense
- FSC amends "Regulations Governing Subsidy of Interest on Debt Extension of Disaster-affected Residents"

Policy and Law

FSC prepares way for eventual launch of active ETFs and multi-asset ETFs

After evaluating the state of development of Taiwan's fund market and its special features, and referencing the supervisory regulations of the world's major markets, the FSC joined forces with the Taiwan Stock Exchange, the Taipei Stock Exchange, and the Securities Investment Trust and Consulting Association of the R.O.C. (SITCA) to collaboratively take preparatory steps for the launch of active ETFs and multi-asset ETFs. This is just one measure that the FSC is implementing in pursuit of increased product diversity. The key points of the related policies are summarized as follows:

1. Active ETFs bring new business opportunities:

A portfolio manager adjusts the investments within an active ETF on the basis of investment goals and strategies. Taiwan's first active ETFs will be fully transparent (i.e. active equity ETFs and active bond ETFs will be required to disclose their ETF portfolios each day), and performance benchmarks are optional.

2. Passive multi-asset ETFs offer a diversity of asset portfolios:

Investors in Taiwan are already very familiar with ETFs which track an index by holding either stocks or bonds. Moving forward, the FSC will begin by first allowing passive ETF products hold both stocks and bonds at a fixed ratio. After that, depending on how things go, the FSC will gradually allow the launch of other multi-asset ETFs.

In the manner described above, the FSC expects to see the first active ETF and passive balanced ETF listed on the markets in 2025.

Allowing the listing of active ETFs and passive balanced ETFs can balance the development of domestic active and passive fund markets, can spur increased business volume for asset management firms, and can build up the active investment management resources and abilities of investment trust fund managers. Also, once Taiwan's ETF market has established a strong competitive edge for itself, there will be more and more opportunities for international cooperation. Moving forward, depending on the state of Taiwan's fund market development, the FSC will gradually pursue deregulation to spur development of our asset management industry, in hopes of building up Taiwan as an Asian asset management center.

FSC issues "Guidelines for the Adoption of Zero Trust Architecture in the Financial Sector" to encourage stronger cyber defense

On 15 July 2024 the FSC issued the "Guidelines for the Adoption of Zero Trust Architecture in the Financial Sector" to encourage financial institutions to take a zero trust mindset to enhance cyber defense.

A zero trust architecture encompasses the entire cyber defense framework, so the adoption of a zero trust architecture could not possibly be completed all in one single step. Accordingly, making reference to the Zero Trust Maturity Model of the US government's Cybersecurity and Infrastructure Security Agency (CISA), the FSC has formulated the aforementioned Guidelines. In doing so, the FSC has made adjustments to align with the characteristics of Taiwan's financial institutions and their existing cyber defense capabilities, and adopted different indicators (static, dynamic, real-time, and integrated) for four phases of the adoption process in order to encourage financial institutions to take a zero trust mindset to further enhance cyber defense.

In the aforementioned Guidelines, the FSC recommends that financial institutions take a risk-based approach by prioritizing the introduction of zero trust architecture in high-risk scenarios. These scenarios may include situations that extend beyond traditional cyber defense perimeters, involve privileged or high-level authorizations, or require access management for outsourced services providers or inter-institutional collaborators. The FSC also recommends that financial institutions inventory the complete access paths (identities, devices, networks, applications, data) in high-risk scenarios. Financial institutions should work from the outside in to reduce their attack surface and enhance their defense in depth, and from the inside out to expand their defense surface. Making reference to rating indicators, financial institutions could implement control measures of zero trust architecture in phases.

The FSC has explained that these Guidelines provide administrative guidance and are non-binding in nature, so financial institutions can still make adjustments as they see fit based on their existing information systems; cyber defense capabilities, resources, and personnel; operational risks; and the maturity of their related solutions. Or, they can adopt alternative plans. In addition, the FSC will encourage financial institutions to share among themselves information on how they have dealt with related matters so that everyone can learn from each other and good ideas can be spread throughout the financial industry. Also, the FSC plans to collaborate with industry associations and self-regulatory organizations to measure actual cyber defense needs and the feasibility of various measures, so that proper measures can be incorporated in a timely manner into cybersecurity regulations in order to improve the overall level of cyber defense.

FSC amends "Regulations Governing Subsidy of Interest on Debt Extension of Disaster-affected Residents"

The upper limits of interest rate subsidies for various debts set out in Article 4 of the "Regulations Governing Subsidy of Interest on Debt Extension of Disaster-affected Residents" ("the aforementioned Regulations") were set with reference to a set of standards governing interest subsidies for parties affected by Typhoon Morakot (adopted in August 2009) and the market interest rates referred to in the aforementioned Regulations (adopted in 2016). Interest rates have risen in recent years, so a need has arisen to adjust the interest subsidies for financial institutions that have rescheduled the debts of disaster-affected residents. On 31 July 2024, the FSC therefore amended the aforementioned Regulations to adjust the upper limit of the interest rate subsidies for debts. The adjustment took effect retroactively from 3 April 2024.

FSC amends "Regulations Governing Information to be Published in Annual Reports of Public Companies"

On 17 August 2023 the FSC issued a roadmap for Taiwan-listed companies to align with IFRS Sustainability Disclosure Standards. To help companies smoothly align with IFRS Sustainability Disclosure Standards, and to coordinate with the push for gender diversity of board members contained in the "Sustainable Development Action Plan for Listed Companies" issued by the FSC on 28 March 2023, the FSC on 1 August 2024 amended the "Regulations Governing Information to be Published in Annual Reports of Public Companies." Key points of the amendment include the following:

1. Simplifying required annual report content and streamlining preparation procedures:
 - (1) Information that other countries rarely require be disclosed and may be otherwise accessed along with other publicly available information, or is not pertinent to material matters, may be deleted. Such information includes the "brief history of the company" referred to in Article 9 and the "overview of the company's financial status" referred to in Article 19. Also deleted are the partial information of corporate governance report, capital and shares, business operations, and the various special items set out in Articles 10, 11, 18 and 21.
 - (2) A newly added Article 22-1 provides that for certain matters which still need to be disclosed but can be accessed on the FSC-designated information reporting website, a company may include such information by cross-reference in its annual report, in which case the reported information will be regarded as having been published in the annual report. Such information includes: internal control system statements; a CPA's project audit report for the internal control system; information on changes in the shareholdings of, or creation or release of pledges on, the shareholdings of directors, supervisors, managerial officers, and shareholders holding more than 10 percent of the shares of the company; implementation of the plan for utilization of proceeds from a public or private securities offering; consolidated business report covering affiliated enterprises; etc.
2. Promoting gender diversity among board members: Beginning from 2025, if the total number of director seats held by either gender at any listed company accounts for less than one-third of the total number director seats, the company must disclose the reason for the shortfall in its annual report and the measures that the company plans to implement to increase gender diversity on the board of directors. Accordingly, related appendices have been amended.

FSC amends "Directions for Life Insurance Application Forms"

To coordinate with an amendment to Points 48 and 57 of the "Directions for the Review of Life Insurance Products," the FSC recently amended the "Directions for Life Insurance Application Forms." With accidental medical reimbursement insurance products and medical reimbursement insurance products, claim settlement must satisfy the principle of indemnity, so there is no need for an applicant to state that he/she understands insurers will not accept a photocopy, handwritten copy, transcript, or other such reproduction of a receipt. Accordingly, Point 11, paragraph 1, subparagraph 4 of the Directions has been deleted.

FSC issues interpretive rule on Point 48, paragraph 3 of the "Directions for the Review of Life Insurance Products"

To coordinate with an amendment by the FSC to Point 48, paragraph 3 of the "Directions for the Review of Life Insurance Products," the FSC issued an interpretive rule on 1 July 2024 to clarify the scope of the phrase "the scope of personal injury medical insurance products as otherwise provided by the competent authority" in Point 48, paragraph 3 of the aforementioned Directions. The said scope includes: comprehensive insurance for persons studying overseas; additional driver injury insurance for auto (motorcycle) insurance and accidental medical reimbursement insurance included in traffic accident injury insurance; the accidental medical reimbursement insurance included in either residential fire insurance or the fire injury insurance component of comprehensive home insurance; and additional personal injury medical insurance included in microinsurance.

FSC amends Articles 2, 5, and 17 of the "Regulations Governing Derivatives Transactions Conducted by Insurance Companies," the "Regulations Governing

Insurance Enterprises Investing in Publicly Issued Securities not Listed on an Exchange or OTC Market, or in Privately Placed Securities," some articles of the "Regulations Governing Use of Insurer's Funds in Special Projects, Public Utilities and Social Welfare Enterprises," Article 3 of the "Regulations Governing Investments in Insurance-related Enterprises by Insurance Companies," Article 4 of the "Regulations Governing Insurance Enterprises in Making Loans to and Engaging in Other Transactions with a Single Party, Single Group of Related Parties, or Single Group of Affiliated Enterprises," and Articles 2 and 3 of the "Standards for the Levy Rates of the Life and Non-life Insurance Guaranty Funds."

In preparation for insurers' plans to adopt Taiwan's New Generation Insurance Solvency Regime in 2026, the regulatory standard will be adjusted from 200% of the current RBC to 100% of the new system because a different basis will be used to calculate the insurer's ratio of total adjusted net capital to risk-based capital (hereinafter referred to as Capital Adequacy Ratio.) To facilitate system transition, the requirement that an insurer's capital adequacy ratio must reach "a specific level" has been changed to require that it must reach "a specific multiple of the regulatory standard," and amendments in coordination with legislation changes.

FSC amends interpretive rule on Article 15, paragraph 8 of the "Regulations Governing Foreign Investments by Insurance Companies"

To prepare for adoption of IFRS 17 and Taiwan's New Generation Insurance Solvency Regime (TW-ICS), there is a need to guide a transition in the product structure of life insurers. To encourage life insurers to sell insurance products that have a relatively high contractual service margin and can play a role in the contribution of new contracts to capital, the FSC on 8 July 2024 amended an interpretive rule regarding life insurance product structure composite scores as set out in Article 15, paragraph 8 of the "Regulations Governing Foreign Investments by Insurance Companies." The amended interpretive rule adjusts the method for calculating the product structure composite score, and allows life insurers to choose, when applying Article 15, paragraph 8 of the "Regulations Governing Foreign Investments by Insurance Companies," whether to apply subparagraph 1 or subparagraph 2 thereunder.

FSC amends "Operation Directions Governing Applications by Insurance Enterprises, Insurance Agents, and Insurance Brokers for the Approval of Business Trials" and "Directions for Promoting Insurance Service Business Through Collaboration with Business Entities in Other Industries"

To encourage insurance enterprises as well as insurance brokerages, insurance agencies, and banks that concurrently operate insurance agent business or insurance broker business of a certain scale (hereinafter, "insurance brokers and agents"), to promote digital innovation and transformation, the FSC amended the two aforementioned Directions on 9 July 2024. In addition to allowing insurance brokers and agents to conduct pilot programs or to cooperate with business entities in other industries to promote insurance products, the amended Directions also: (a) expand the range of insurance business activities that may be conducted on a pilot basis without being subject to the restrictions of administrative directions or self-regulatory rules; and (b) increase the lines of business that insurance enterprises as well as insurance brokers and agents may conduct in cooperation with business entities in other industries, providing more opportunities for innovative business development.

FSC amends "Directions for Collecting Premiums Authorized by Insurance Enterprises"

To prevent insurance agents from misappropriating insurance premiums, thereby safeguarding the rights and interests of policyholders, the FSC on 12 July 2024 amended Point 3 of the "Directions for Collecting Premiums Authorized by Insurance Enterprises" to prohibit life insurers from authorizing their agents, independent insurance agents, and insurance agent companies to collect premiums in cash on behalf of insurance enterprises. At the same time, to enhance insurance enterprises' management of the handling of receipts for payment of insurance premiums, the FSC, acting also on 12 July 2024, amended Point 8 of the "Directions for Insurance Enterprises, Insurance Broker Companies and Insurance Agent Companies Establishing Internal Control Procedures to Prevent Insurance Solicitors from Misappropriating or Embezzling Policyholders' Funds" to expressly provide that, when the premiums for an insurance policy are paid by automatic debit from a credit card or a bank account, insurance agents, insurance brokers, and independent insurance agents are not allowed to submit a related binding receipt, an advance receipt, or a receipt to collect the premium on behalf of the insurer.

FSC amends "Regulations Governing Insurance Brokers," "Regulations Governing Insurance Agents," "Regulations Governing the Implementation of Internal Control and Audit System and Business Solicitation System of Insurance

Agent Companies and Insurance Broker Companies," "Regulations Governing Online Insurance Business and Online Insurance Services of Insurance Agent Companies and Insurance Broker Companies," and "Directions for Insurance Agents and Insurance Brokers to Engage in Distance Insurance Contracts and Providing Insurance Service Business"

The signatory system has been in place for many years in Taiwan's insurance industry, and observers have repeatedly suggested that possible changes to the system should be considered. In view of the fact that the soliciting procedures of insurance brokers, agents, and banks have been enhanced in recent years, the FSC amended the aforementioned Regulations and Directions on 22 July 2024 to use a "check mechanism" to replace the former "signatory system" of insurance brokers, agents, and banks. The amended provisions also add some other new related measures. To coordinate with the adjustment of the signatory system, the FSC has strengthened its supervision of internal control and auditing treatment of soliciting activities.

Industry Updates

FSC grants approval for Bank of Taiwan to apply to establish representative office in the Republic of Lithuania

On 18 July 2024, the FSC granted approval to the Bank of Taiwan to file an application to the competent authority of Lithuania for the establishment of a Lithuania Representative Office. The Bank of Taiwan has noted a recent increase in economic and trade exchanges between Taiwan and Lithuania. As Lithuania is located at the intersection between Europe and Eurasia, setting up a representative office in Lithuania will help the bank seize upon business opportunities in the Central and Eastern European markets and expand its overseas business development.

The situation of overdue loans in domestic banks at the end of July 2024

Unit: NT\$1 billion / percentage points

	31 July 2024	30 June 2024	increased/decreased
Total outstanding loans	40,891	40,239	Increased by 652 billion
NPL ratio	0.16%	0.16%	-
Coverage Ratio	850.15%	841.45%	Increased by 8.7 percentage points

As of the end of July 2024, there were 38 domestic banks in Taiwan, and their asset quality continuously remained manageable according to the above figures. The FSC will require banks to undertake measures to improve asset quality and financial structure on an ongoing basis.

NPL situation of credit cooperatives at the end of July 2024

Unit: NT\$1 billion / percentage points

	End-July 2024	End-June 2024	Increase/Decrease
NPL	0.65	0.76	Decreased by NT\$0.11 billion
NPL ratio	0.10%	0.12%	Decreased by 0.02 percentage points
Coverage Ratio	2267.96%	1932.10%	Increased by 335.86 percentage points

As of the end of July 2024, there were 23 credit cooperatives in Taiwan, and their asset quality continuously remained manageable according to the above figures. The FSC will require credit cooperatives to undertake measures to improve asset quality and financial structure on an ongoing basis.

The overall situation of net purchases and sales of listed stocks by foreign and mainland China investors, as well as the inflow and outflow of funds.

1. Net foreign and Mainland Area investment in listed shares

Unit: NT\$1 billion

As of July, 2024		TWSE-listed shares	TPEX-listed shares
Foreign Investors	Bought	19,464.568	3,158.764
	Sold	19,715.142	3,218.241
	Net bought (sold)	(250.574)	(59.477)
Mainland area investors	Bought	3.314	0.146
	Sold	2.718	0.301
	Net bought (sold)	0.596	(0.155)
Total		(2,499.78)	(59.632)

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

Unit: NT\$1 billion

	End-July 2024	End-June 2024	Increase (Decrease)
Cumulative net (outward) inward remittance from offshore foreign institutional investors and foreign individual investors	272.018	277.727	(5.709)
Cumulative net (outward) inward remittance from Mainland area investors	0.074	0.067	0.007
Total	272.092	277.794	(5.702)

Sales statistics of foreign-currency denominated products by life insurance industry as of the end of May 2024

Unit: NT\$1 billion

	End-May 2024	End-May 2023	Increase (Decrease)
Investment-linked insurance	18.467	25.501	-28%
Traditional life insurance	101.465	88.551	15%
New-policy premium income (total)	119.932	114.052	5%

Profit/loss, net value and exchange gains/losses, hedging gains and losses, and foreign exchange volatility reserves of insurance enterprises as of June 2024

1. Pre-tax profit of insurance enterprises

Unit: NT\$1 billion

	End-June 2024	End-June 2023	Increase (Decrease)
Pre-tax profit of life insurance enterprises	214.5	52	312.5%
Pre-tax profit of non-life insurance enterprises	15.2	11.6	322.2%
Pre-tax profit of all insurance enterprises (total)	229.7	55.6	313.1%

2. Owners' equity of insurance enterprises

Unit: NT\$1 billion

	End-June 2024	End-June 2023	Increase (Decrease)
Owners' equity of life insurance enterprises	2,637.8	2,049.8	28.7%
Owners' equity of non-life insurance enterprises	143.8	116.3	23.6%
Owners' equity of insurance enterprises (total)	2,781.6	2,166.1	28.4%

3. As of the end of June 2024, the NT Dollar had depreciated by 5.29% against the US Dollar since the end of 2023, and the cumulative balance of the foreign exchange valuation reserve of life insurance enterprises was NT\$189.9 billion, increasing by NT\$97.9 billion. Meanwhile, the combined impact of exchange gains/losses, hedging gains/losses, and the net effect of volatility on the foreign exchange valuation reserve of life insurance enterprises was NT\$-112.3 billion. Over the same period, the overseas investments of life insurers resulted in net gains (including exchange gains/losses and hedging gains/losses, but not including the net effect of volatility on the foreign exchange valuation reserve) of NT\$520.2 billion.

Investor and Consumer Protection

2024 Financial Literacy Campaign for the Campus and Community

In August 2024, the FSC held 46 activities at different locations, including the Veterans Affairs Council Pingtung County Veterans'

Home, as part of the 2024 Financial Literacy Campaign for the Campus and Community, attracting 3,618 participants. The Financial Literacy Campaign is free of charge and has struck a chord with many people since its inception in 2006. As of the end of 2023, a total of 8,509 events had been held and over 1.19 million people had attended. The target participants include students at all levels, communities, women's groups, indigenous people, immigrants, military service personnel, correctional institutions, social welfare groups, senior citizens' groups, police, firefighters, coast guard personnel, and taxi drivers.

The FSC Launches National Awareness Campaigns "Anti-Fraud Vanguard: Youths Avoiding Traps" for College and University Students at "Financial Anti-Fraud High-Level Forum"



To continue with cross-ministerial cooperation, working together to stamp out fraud, the FSC joined with the Ministry of the Interior, the Ministry of Justice, the Ministry of Education, and the Taiwan High Prosecutors Office held a meeting on 5 August 2024 at which they asked the ROC Bankers Association to host the "Financial Anti-Fraud High-Level Forum." Also, the Taiwan Stock Exchange Corporation (TWSE) and the Taipei Exchange (TPEX) were asked to co-organize a series of "Anti-Fraud Vanguard: Youths Avoiding Traps" outreach activities in college and university campuses. Premier Cho Jung-tai attended the meeting, delivered a speech and awarded financial institution personnel. In 2023, service counter personnel at financial institutions showed concern for walk-in customers by asking extra questions to check for possible scams in progress, and their efforts led to the prevention of 11,300 fraudulent transactions involving a combined total amount of NT\$7.6 billion. The FSC last year asked the ROC Bankers Association to launch a nationwide financial fraud awareness campaign. The idea was for domestic banks and local police precincts to hold awareness campaign activities at town halls in each of Taiwan's 368 townships and cities to improve the ability of the public to spot scams. The events have already attracted the participation of over 20,000 local residents around Taiwan. To further improve the ability of college and university students to protect themselves from fraud, the FSC has once again asked the ROC Bankers Association in 2024 to hold a series of "Anti-Fraud Vanguard: Youths Avoiding Traps" outreach activities on 151 college and university campuses. At these events, the TWSE, TPEX, financial institutions, and personnel from local police stations conducted fraud prevention outreach activities on college and university campuses to familiarize students with financial fraud and help them avoid traps.

FSC urges caution in purchase of interest-sensitive insurance products

Interest-sensitive insurance products are life insurance products that include a declared interest rate, so the FSC reminds consumers that such products are insurance products by nature, and a declared interest rate is not a guaranteed rate, nor is it equivalent to the investor's rate of return. When making a purchase, a consumer would be well advised not to select a particular product solely on the basis of an attractive declared interest rate. Before buying, a consumer should gain a detailed understanding of a product's particulars, and prudently assess one's own insurance protection needs.

Types of interest-sensitive insurance products commonly seen currently in the market include: (a) interest-sensitive life insurance; and (b) interest-sensitive annuity insurance. Generally speaking, the biggest difference between interest-sensitive insurance and traditional life insurance lies in the fact that, with interest-sensitive insurance, a declared interest rate builds up a policy value that eventually serves as the basis for related feedback. The purpose of the declared interest rate is to establish an interest-rate feedback mechanism for customers, i.e. when market interest rates rise, there is a possibility that asset investments corresponding to the insurance policy in question may outperform the insurance policy's assumed interest rate, therefore the idea is to use the declared interest rate to share the increased asset value by paying out an "extra policy bonus." However, a declared interest rate is not fixed or guaranteed. An insurance company will

periodically announce each product's declared interest rate, the duration of which differs depending on the design of each product. (The most common durations are either one month or one year.)

The following are some specific matters requiring caution when consumers purchase interest-sensitive insurance products, in order to avoid disputes later on:

1. When an insurance company speaks of a declared interest rate, the company means that it effectively invests the premiums paid by a policyholder, takes the investment returns, deducts an administrative expense ratio, then uses the declared interest rate to calculate how to share the increased asset value by paying out an "extra policy bonus." A declared interest rate is not a fixed or guaranteed interest rate, nor is it equivalent to the investor's rate of return.
2. Each insurer's declared interest rate rises and falls over time, so consumers would be well advised not to select a particular product solely on the basis of an attractive declared interest rate. Instead, a consumer should also understand a company's policy on interest rate declarations and its historical declared interest rates.
3. Interest-sensitive insurance products have a declared interest mechanism, but because such products are long-term contracts, if a policyholder wishes to surrender a policy prior to maturity, the insurer will still collect a surrender charge, and it is possible that the policy surrender may prevent the policyholder from recovering the full amount of premiums paid.
4. For interest-sensitive insurance products denominated in a foreign currency, the premiums and policy proceeds are paid in that foreign currency, so consumers need to pay special attention to exchange rate risks.
5. A consumer considering the possibility of purchasing interest-sensitive insurance is advised to carefully read a copy of the policy provisions provided by the insurance company, fully understand the content, and carefully choose the insurance product that best meets their needs.

The FSC reiterates that when an insurer sells interest-sensitive insurance products: it must comply with the provisions of the "Directions for Conduct by Life Insurance Enterprises of Interest-Sensitive Insurance Products Business"; it is not allowed to use the raising of its declared interest rate for the purpose of market competition; when selling insurance products, its advertising, publicity, and marketing language must not refer solely to its declared interest rate or rate of investment return on insurance policies in drawing comparisons with other financial products; and must not tout the raising of its declared interest rate or focus on investment purposes as product's selling point. Such behavior distorts the essence of insurance, which is to protect against risks. In the process, such behavior confuses consumers and leads to disputes.

Personnel Changes

Following the retirement of FSC Insurance Bureau Director-General Shih Chung-hwa on 16 July 2024, FSC Counselor Li-hui Wang was promoted to assume Shih's vacated position, and on that same day Tsui-Wen Hsu retired as Director General of the FSC Department of Legal Affairs and was replaced by Chih-hsien Lin, who was transferred from his position as Deputy Director-General of the Insurance Bureau. Lin's position as Insurance Bureau Deputy Director-General was assumed on 29 July 2024 by Ching-yuan Chen, a former division director at the same Bureau. FSC Financial Examination Bureau Director General Chang Tzy-Hao retired on 2 August 2024.

Major Enforcement

FSC imposes sanctions on Mercuries Life Insurance Co.

The FSC recently discovered that the ratio of total adjusted net capital to risk-based capital ("capital adequacy ratio") and net worth ratio at Mercuries Life Insurance Co. were not sufficient to meet the capital adequacy grade called for in insurance legislation, and the capital increase plan or corrective action plan for finance or business that Mercuries Life put forward was unable to raise Mercuries Life's 2024 capital adequacy ratio high enough to meet the regulatory standard, which constituted a violation of applicable provisions of the Insurance Act. Therefore the FSC, acting in accordance with Article 143-6, subparagraph 2, items 1 and 6 of the Insurance Act, acted as follows: (a) ordered Mercuries Life not to extend new credit or undertake any new transactions with interested parties until the company's capital adequacy ratio has been brought in line with statutory requirements and been approved by the FSC; and (b) ordered Mercuries Life to put forward within one month a concrete and complete plan for capital increase or another corrective action plan for finance or business that would raise the company's capital adequacy ratio high enough to meet the regulatory standard within the year 2024.