
Fintech Development in Taiwan



Financial Supervisory Commission
May 24, 2019

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A quick glance at Taiwan

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- Population: 23 million
- GDP/capita: \$24,577
- 10 year avg. annual GDP growth: 2.6%
- Competitiveness Rank: 13

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Global Rankings (Fin+Tech, Taiwan on top in Asia)

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WEF Innovation Capability

Ranks	Economy	Score
1	Germany	87.5
2	United States	86.5
3	Switzerland	82.1
4	Taiwan	80.8
5	Sweden	79.8
6	Japan	79.3
7	United Kingdom	79.2
8	Korea	78.2
9	Netherland	77.5
10	Finland	76.3

Source: WEF Global Competitiveness Index (Sep. 2018)

WEF Financial System

Ranks	Economy	Score
1	United States	92.1
2	Hong Kong	90.1
3	Finland	89.7
4	Switzerland	89.4
5	Singapore	89.3
6	Sweden	89.0
7	Taiwan	87.9
8	United Kingdom	87.8
9	Luxembourg	86.5
10	Japan	86.4

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Ease of Doing Business in Taiwan

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Rank	Economy	Rank	Economy
1	New Zealand	11	United Arab Emirates
2	Singapore	12	Sweden
3	Denmark	13	Taiwan
4	Hong Kong	14	Lithuania
5	Korea	15	Malaysia
6	Georgia	.	
7	Norway	.	
8	United States	.	
9	United Kingdom		
10	Macedonia		

Source: World Bank Ease of Doing Business, May 2018

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Taiwan Fintech Development Strengths

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Well established infrastructure in info. Technology

- 4G penetration: 87% (13th in the globe)
- Smart phone penetration: 72% (5th in the globe)

Sound financial system

- Bank NPL ratio: 0.25%
- Account opening rate: 94% (global avg. 69%)
- 710 ppl/ATM; 2 credit cards/person; Insurance penetration: 1st in the globe

Strong commitment for innovation development

- National level: Digi+, Deregulation, enabling ecosystem
- FSC: crowdfunding, e-payment, digital financial services

Solid information security system

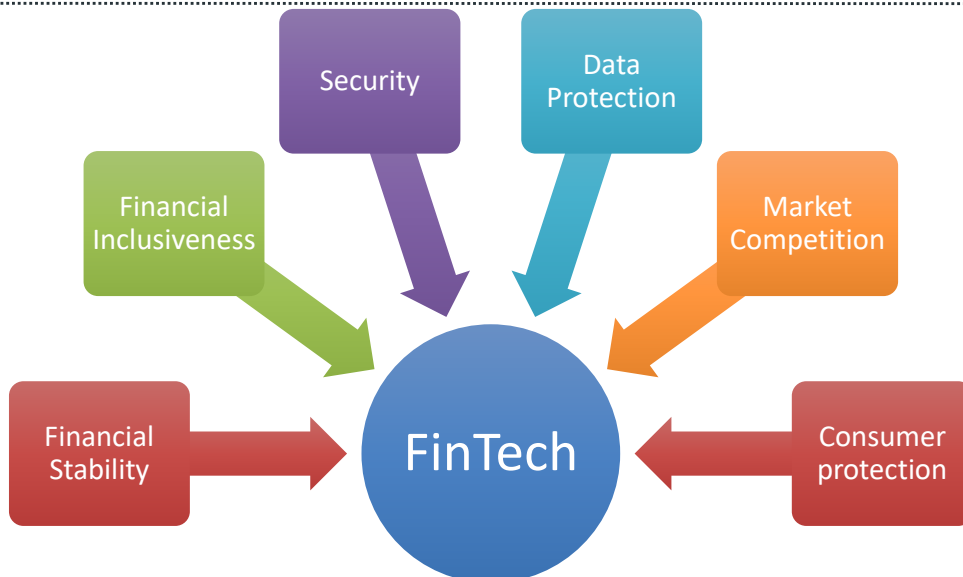
- Information & Communication Security Management Act (6 X-ISAC)
- F-ISAC (Dec. 2017) for joint-defense and resiliency

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Issues related to developing Fintech

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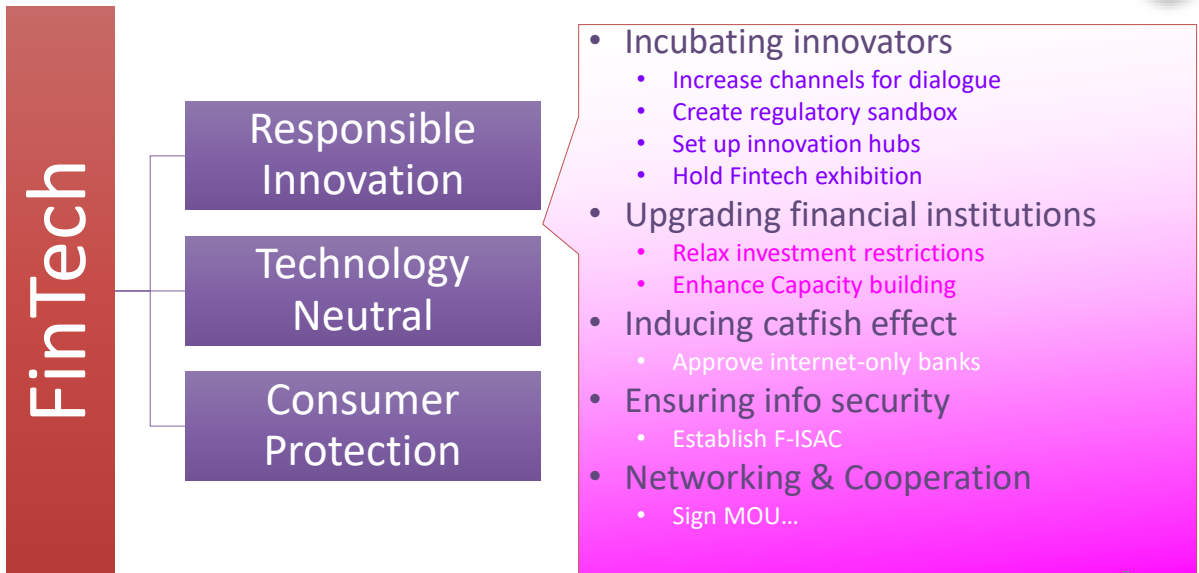


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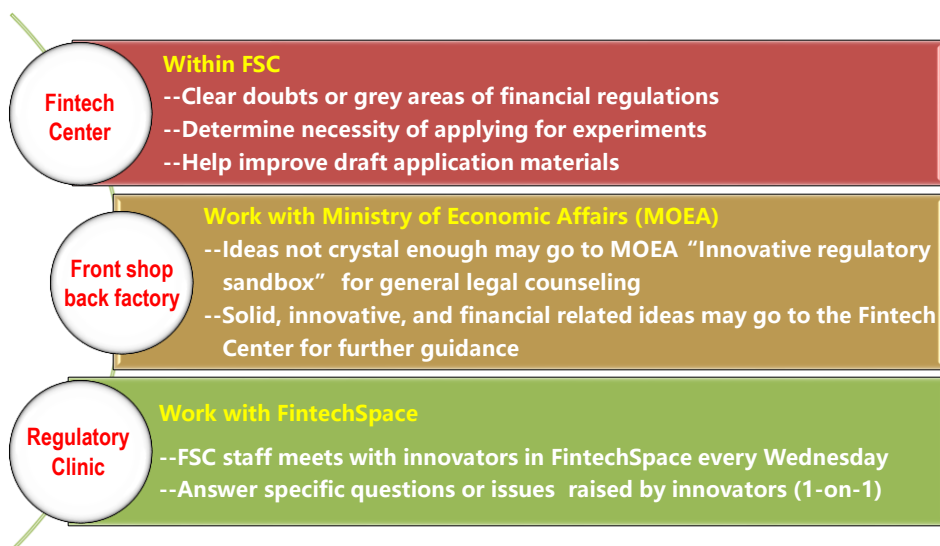
FSC Philosophy and Policy on Fintech

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Incubating Innovators –Channels for Dialogue

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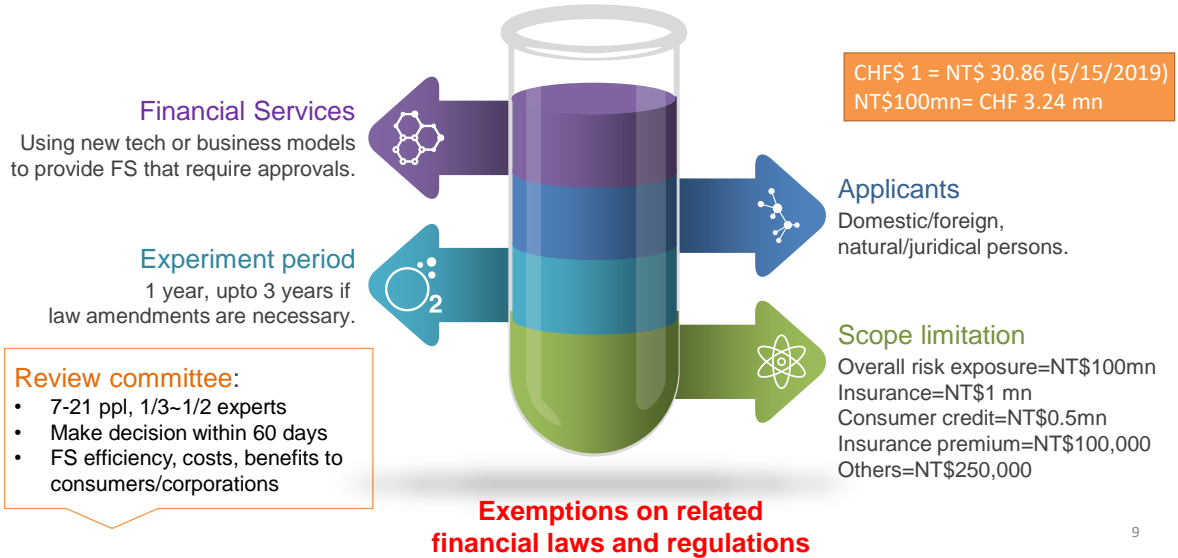
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Incubating Innovators --Regulatory Sandbox I

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Legislation: "Fintech Development & Innovative Experimentation Act"

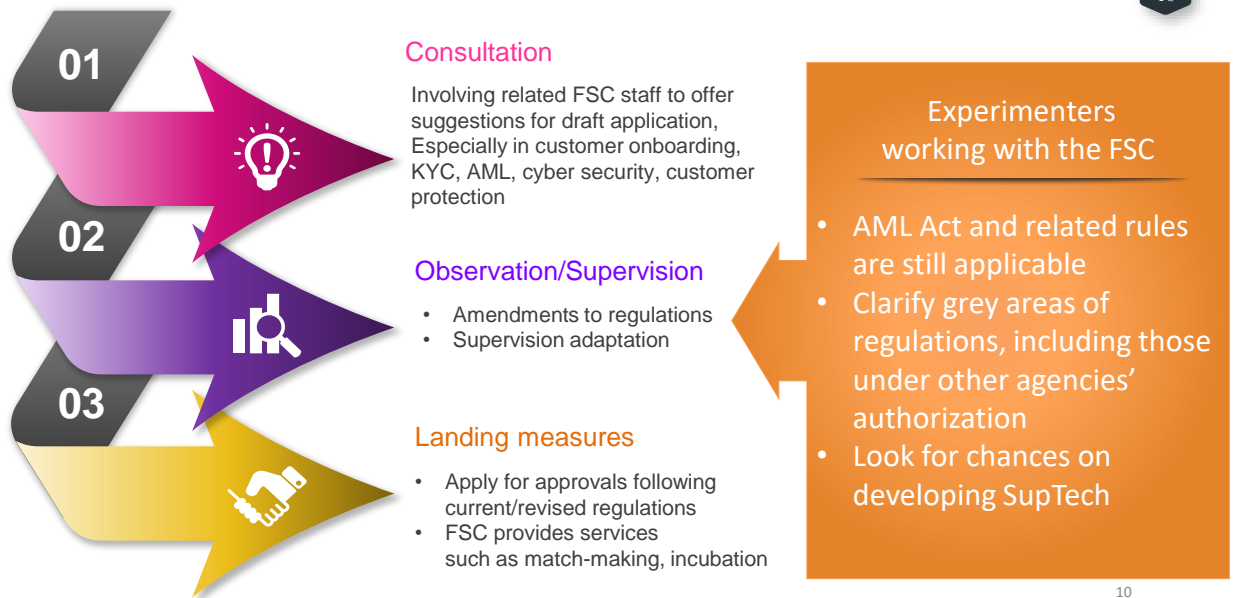


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Incubating Innovators --Regulatory Sandbox II

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Incubating Innovators --Regulatory Sandbox III

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- **Updates:** 11 applications accepted for review, and 3 have been approved. 27 cases are under counseling and guidance
- **Under experiments:**
 - using personal info. in mobile phone co. to access bank loans and credit card applications;
 - foreign workers cross-border remittance

Application updates	accepted	guidance
total	11	46
approved	3	—
rejected	1	—
reviewing	7	—
under guidance	—	27
unclear ideas and need further structuring	—	19



Date: May 3, 2019



Incubating Innovators --FintechSpace I

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- **Purpose:** provide innovators w/ resources of initial operations, create opportunities for cooperation
- **Establishment:** opened on 9/18/2018
- **Major features:** regulatory clinic, digital sandbox, enterprise laboratory, theme space design, co-creation alliance, and international networks





Incubating Innovators --FintechSpace II

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updates	
Innovators	45 innovators (including 8 teams from SG, USA, JP, Ph & HK, 1 int'l exchange team & 1 int'l accelerator)
Regulatory clinic	49 teams have received 1-on-1 consultation from FSC staff since 10/16/2018 (every Wednesday afternoon, free of charge)
Digital sandbox	14 institutions offering data for API and 12 universities for cooperation
Inter'l links	Info/resource exchange and cooperation agreements with USA, UK, AU, SG, Portland
Thematic workshop	Topics include: regulatory sandbox, KYC/DD, AMA, payment, AI adoption



Incubating Innovators --Fintech Taipei (Exhibition) I

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- **Purpose:** Showcase latest financial technology worldwide
- **Dates:** November 29 and 30, 2019
- **Major activities:**
 - ◆ International trend seminar
 - ◆ Fintech innovative forums
 - ◆ Spotlight theme showroom
 - ◆ Demos
 - ◆ Match-making events





Incubating Innovators --Fintech Taipei (Exhibition) II

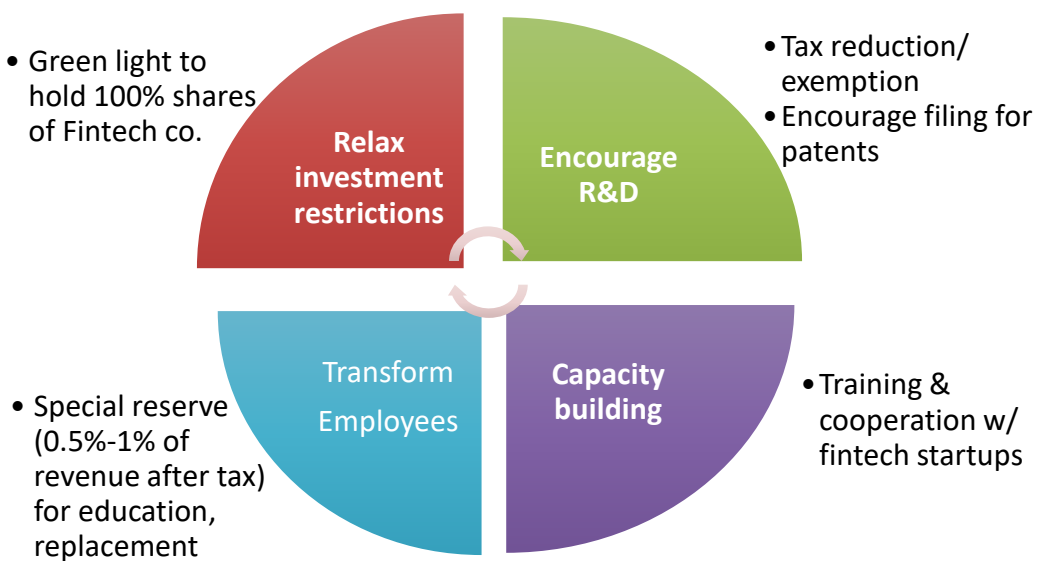
Last year's exhibitors reached 200 firms and 32,000 visitors

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Upgrading Financial Institutions

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Inducing Catfish Effect-- Internet-only Banks

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- To meet customers' need, learn new business, and upgrade financial industry
- Promulgated related regulations on 11/13/2018

(Standards Governing the Establishment of Commercial Banks.
Regulations Governing Investments in Other Enterprises by Commercial Banks)

Main points	rules
Numbers Permitted	2 at initial stage
Capital	NT\$10 bn with shares fully subscribed by promoters
Eligibility	1.Promoters from FIs shall subscribe \geq 40% of total shares 2.At least 1 participating FI shall subscribe $>$ 25% of total shares 3.Promoters who are not FIs but have FinTech, e-commerce, or telecom expertise and feasible biz model, may subscribe $>$ 10% of total shares
Board Constituencies	More than $\frac{1}{2}$ board members shall have banking, FinTech, e-commerce, or telecom expertise, and at least 1 board member shall possess professional qualification in FinTech, e-commerce, or telecom expertise
Operation	No physical branches permitted except HQ and customer service centers



Ensuring Info. Security --F-ISAC's 6 functions

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- Established in Dec. 2017, integrating banks, securities, futures, and insurance companies into the joint defense system (358 members)
- Expected benefits:
 - Early warning
 - Emergency response
 - Joint defense
 - Improving overall response
 - Capability building of protection





Networking and Cooperation

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-- Les Brown, Motivational Speaker