

Taiwan

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1. Fintech regulatory framework: a summary of the most relevant laws and regulations concerning fintech and financial innovation.

In Taiwan, carrying out financial activities generally requires a licence from Taiwan's financial regulator, the Financial Supervisory Commission (FSC). However, there is currently no special licence specifically for fintech companies. If any business to be carried out by fintech companies would involve financial activities regulated by the FSC, the fintech companies must meet certain requirements under relevant financial laws and regulations, depending on the types of financial activities they wish to conduct.

However, certain fintech-related regulations, mechanisms and developments have been introduced in Taiwan.

E-payment

Please see Section 3.

Open banking

Please see Section 5.

Digital-only banks

The FSC promulgated relevant regulations governing the establishment of digital-only banks in 2018. Digital-only banks refer to banks who mainly utilise the internet or other forms of electronic communication channels to provide financial products and services to its customers, without physical branches. In 2019, three applications were filed with the FSC to set up digital-only banks; these applications were approved by the FSC in the same year. All such digital-only banks have received banking licences from the FSC and have started their business operations.

Digital insurance companies

Following the digital-only banks, in December 2021, the FSC proposed a new policy on establishment of digital insurance companies. For this purpose, by the end of June 2022, the FSC promulgated amendments to relevant regulations to set forth the requirements for the establishment of digital insurance companies as well as detailed regulations governing their insurance solicitation, underwriting, and claims settlement. The FSC started to accept applications for establishment of digital insurance companies in August 2022, while the two applications filed with the FSC were not approved by the FSC.

In 2025, in order to introduce innovative technology into the insurance market and promote the digital transformation of the insurance industry to enhance service efficiency and consumer rights, the FSC revisited the regulations governing digital insurance companies. According to the newly amended regulations, the requirements for establishing digital insurance companies and their business models have been significantly relaxed. For example, the minimum paid-in capital requirement has been lowered, the restriction that promoters must include financial institutions

and professionals with fintech expertise has been removed, and the establishment of physical business or service locations is now permitted. In addition, a certain period of innovation protection is granted for innovative insurance products developed by these companies. The FSC has reopened applications as of July 2025.

Robo-advisers

The Operating Rules for Securities Investment Consulting Enterprises Using Automated Tools to Provide Consulting Service (Robo-Adviser) (Robo-Adviser Rules) have been issued by the Securities Investment Trust and Consulting Association (SITCA), Taiwan's self-regulatory organisation for the asset management industry.

The Robo-Adviser Rules were first announced in 2017, with the latest amendment in 2022. According to the Robo-Adviser Rules, FSC-licensed securities investment consulting enterprises (SITEs) may provide online securities investment consulting services by using automated tools and algorithms (ie, robo-adviser services), and must comply with certain rules, such as:

- a periodical review of the algorithm;
- a special committee established to supervise the adequacy of the robo-adviser services; and
- customers should be informed of precautions before using robo-adviser services.

In 2024, the FSC announced an amendment to the regulations governing SITEs, under which any change to the algorithms adopted by the SITEs shall be reviewed and approved by the SITCA.

2. Regulations on crypto assets: a summary of the legal framework regarding crypto assets and how they are regulated.

In December 2013, both the Central Bank of the Republic of China (Taiwan) (Central Bank) and the FSC first expressed the government's position towards Bitcoin by issuing a joint press release, under which the two authorities held that Bitcoin should not be considered a currency, but a highly speculative digital virtual commodity. In another FSC press release in 2014, the FSC ordered that local banks must not accept Bitcoin or provide any services related to Bitcoin, such as exchange Bitcoin for fiat currency.

The FSC issued a further press release on 4 March 2022, which indicates that crypto assets (except for 'security tokens' as explained below), including Bitcoin, are not currencies under the current regulatory regime in Taiwan; instead, a crypto asset is deemed to be a digital virtual commodity.

Security token offerings (STOs)

The FSC issued a ruling in July 2019 to officially define 'security tokens' (ie, cryptocurrencies of 'securities' nature) as a type of security. Thereafter, the FSC, together with the Taipei Exchange (TPEx), enacted a set of rules and regulations on security token offerings (STO Regulations), and authorised the TPEx to supervise STOs. Below is a summary of certain key rules under the STO Regulations:

- STOs carried out under the STO Regulations shall be in an amount of TWD 30m (around US\$1m) or less.
- The issuer must be a company limited by shares incorporated under the laws of Taiwan, and no listed company can be an issuer.
- The issuer can only issue profit-sharing or debt tokens without shareholders' rights, meaning that 'shares' with regular shareholders' rights of issuers cannot be issued as security tokens while bonds can be issued as debt tokens.
- Currently, only 'professional investors' are eligible to participate in STOs. When the professional investor is a natural person, the maximum subscription amount is TWD 300,000 per STO.
- Issuers must conduct STOs on a single platform.
- The platform operator should obtain a securities dealer licence (with a minimum paid-in capital of TWD 100m).
- The platform operator should enter into an agreement with the Taiwan Depository and Clearing Corporation (TDCC) and deliver trading information, such as balance changes and balance statements, to the TDCC on a daily basis, for record-keeping purposes.
- Subscription and trading of security tokens should be conducted on a real-name basis.

Anti-money laundering (AML)

Taiwan's latest amendment to the Taiwanese AML law, the Money Laundering Control Act (MLCA), has brought relevant cryptocurrency-related service providers into the AML regulatory regime.

Under the amended MLCA, the FSC published the Regulations Governing Anti-Money Laundering and Countering the Financing of Terrorism for Enterprises or Persons Providing Virtual Asset Services, as amended in 2024 (the 'VA AML Regulations'). According to the VA AML Regulations, the designated operators of virtual asset service providers (VASPs) are required to establish, among others, internal control and audit mechanisms, reporting procedures for suspicious transactions, know-your-client procedures, etc.

Also, according to the MLCA as amended in 2024, VASPs shall complete the anti-money laundering registration (AML registration) with the FSC before they may provide the services, and any offshore VASPs shall set up a company or branch office in accordance with the Taiwan Company Act and complete the aforementioned AML registration before rendering relevant services within Taiwan. Anyone who violates the above provisions may be sentenced to imprisonment for not more than two years, detention, or in lieu thereof or in addition thereto a criminal fine of not more than TWD 5m. Furthermore, in addition to punishing the perpetrator, if a juristic person is the actor, such juristic person shall also be subject to a criminal fine. In short, any VASP providing services in Taiwan without carrying out the AML registration with the FSC beforehand would be subject to criminal liability under the newly amended MLCA.

Virtual Asset Service Act

On 30 June 2026, Taiwan's Legislative Yuan (congress) officially passed the Virtual Asset Service Act (VASA). The key points are as follows:

- the VASA clearly defines the types and scope of VASPs, including seven categories of service providers: exchangers, trading platform operators, transfer service providers, custodians, underwriters, lenders and others. It regulates their financial and business operations, the qualifications of responsible persons and business personnel, internal control and audit systems, information security management systems, mechanisms for listing and delisting virtual assets, segregation and custody of client assets, outsourcing of operations, civil liability for compensation to clients and financial reporting requirements;
- explicit regulation of stablecoin issuance and management: issuing stablecoins in Taiwan requires the consent of the Central Bank and approval from the FSC. Issuers must maintain full reserve assets, entrust such assets to a trust and conduct regular audits and information disclosures; and
- prevention of unfair market practices: the VASA strengthens market conduct regulations, expressly prohibiting fraudulent, deceptive or price manipulation activities. Violations will incur criminal liability.

Following the enactment of the VASA, the supervision of VASPs will be elevated from 'AML registration' to a 'licensing regime'.

Going forward, the FSC will continue to actively draft and promulgate subordinate regulations under the VASA. Industry players are advised to closely follow the announcement of such regulations.

3. Payment service providers and digital wallets: a summary of regulations applying to payment service providers and/or digital wallets.

In 2015, the Act Governing Electronic Payment Institutions (E-Payment Act) was enacted to govern and regulate the activities of electronic payment institutions (EPIs), acting in the capacity of an intermediary between payers and recipients. A recent amendment to the E-Payment Act took effect in July 2021. Under the amended E-Payment Act, the scope of business of an EPI includes: (1) core businesses; and (2) ancillary and derivative businesses.

The core businesses are:

1. collecting and making payments for real transactions as an agent (which, as we understand, is similar to the concept of 'escrow agent' in some other jurisdictions);
2. accepting deposits of funds as stored-value funds;
3. small amount domestic and cross-border remittance services; and
4. foreign exchange services relating to the above (1) through (3) businesses.

An EPI should obtain a licence from the FSC unless it engages only in (1) above, and the total balance of funds collected, paid and kept by it as an agent does not exceed the specific amount set by the FSC.

The ancillary and derivative businesses are all new under the amended E-Payment Act, which include:

- assisting the contracted merchants with integration and transmission of acquiring and payment information;
- sharing terminal equipment at the contracted merchants;
- assisting the information exchange between the users and between the users and the contracted merchants;
- providing an electronic uniform invoice system and its value-added services;
- taking custody of paid price of vouchers/tickets of goods/services, and assisting in the issuance, sales, validation and related services for vouchers/tickets;
- providing services for integration of bonus points and offsetting/settling payments for real transactions with bonus points;
- providing value storing blocks in electronic stored-value cards or application programs for use by others; and
- providing any planning, instalment, maintenance or consultancy services for the information system and facilities in relation to the above seven ancillary and derivative businesses of EPIs.

The amended E-Payment Act also allows qualified 'non-EPIs' to apply to the FSC for acting as a 'small amount cross-border remittance service provider', exclusively for foreign workers in Taiwan in accordance with the enforcement rules and regulations promulgated by the FSC.

4. Special support for fintechs: a description of special programmes supporting the fintech ecosystem, fintech startups (eg, regulatory sandboxes and accelerator programmes) and regulations regarding special support.

To promote fintech services and companies, Taiwan enacted a law in 2018 for the fintech regulatory sandbox, the FinTech Development and Innovation and Experiment Act (Sandbox Act), to enable fintech businesses to test their technologies in a controlled regulatory environment. Please see below certain applications that have been approved by the FSC to enter into the sandbox under the Sandbox Act:

- to facilitate digital banking businesses, that is, online credit (credit card, credit facility), by means of a mobile phone ID verification system;
- outbound remittance by foreign workers through local convenience stores;
- to use blockchain technology for the transmission of fund transfer information between banks;

- to enable customers to purchase travel insurance on the website of a travel agency by means of application programming interfaces (API) connections;
- to provide the ‘fund exchange’ service by means of blockchain technology;
- to narrow the fund transmission gap by means of a T+0 (same-day settlement) contract mechanism;
- to provide a group buying platform for investing in bonds issued using blockchain technology; and
- to allow investors to buy US ETFs using dollar-cost averaging strategy based on the advice provided by robo-advisers.

According to the FSC’s official website, press releases and relevant news articles, some of the experiments which are included in the regulatory sandbox now exist in practice, while some may be soon implemented legally in the real world. In practice, experimental sandbox applicants under the Sandbox Act may apply for the new licence or approval for their business once the existing laws and regulations involved in the experiments have been amended by the FSC and/or the Congress.

5. Open banking: a summary of regulations regarding open banking and direct or indirect regulations that affect open banking.

Traditionally, financial institutions are required by the FSC to provide relevant customer and product data to the Joint Credit Information Centre (JCIC) for the purpose of the banks’ credit check for credit extension. But in recent years, in response to the advocate for open banking, the FSC has also requested the Bankers Association to set out relevant self-regulatory rules to implement the concept of open banking.

In Taiwan, the FSC does not require ‘mandatory disclosure’, but instead encourages banks to voluntarily open up their APIs for programmatic access by third-party financial service providers (TSPs) in accordance with relevant information security standards.

The FSC has adopted a three-phase approach for open banking. Phase I was launched in late 2019, allowing ‘public products information’ to be searchable by TSPs. Phase II involves access to ‘customer data’. Phase III, which was launched in January 2024, involves processing of ‘transaction data’. According to relevant news reports, certain banks have been approved by the FSC to launch relevant business operations in the Phase III.

6. Regulation of virtual asset service providers.

Please see Section 2 regarding AML and the VASA.

7. AML and the Travel Rule in crypto asset transactions.

Please see Section 2.

Regarding the Travel Rule, there is a provision under the VA AML Regulations; however, this provision has not yet taken effect. Pursuant to the Travel Rule provision:

1. If a VASP serves as the originating party of a virtual asset transfer, it shall comply with the following provisions:
 - i. The VASP shall obtain required and accurate information on the customer transferring the virtual assets ('originator') and required information on the customer receiving the virtual assets ('beneficiary'), and shall maintain previously acquired information, and submit the information mentioned above immediately and securely to the enterprise serving as the Beneficiary. Prosecutors and judicial police should be able to compel immediate production of such information and the VASP shall cooperate accordingly.
 - ii. The required information of the originator and beneficiary indicated above includes:
 - a) Information of the originator shall include the name of the originator, information on the wallet used for transferring the virtual assets, and one of the following items of information of the originator: official identity document number; address; or date and place of birth.
 - b) Information of the beneficiary shall include the name of the beneficiary and information on the wallet used for receiving the virtual assets.
 - iii. When the VASP fails to conduct the transfer in accordance with the two preceding subparagraphs, it is not allowed to execute the virtual asset transfer.
2. If the VASP serves as the beneficiary party of virtual asset transfers, it shall comply with the following provisions:
 - i. Take reasonable measures to identify virtual asset transfers that lack the required information specified in subparagraph (ii) of the preceding paragraph.
 - ii. Have risk-based policies and procedures for determining when to execute, reject, or suspend a virtual asset transfer lacking the required information specified in the above (ii), and the appropriate follow-up action.
 - iii. Maintain the information on the originator and beneficiary.
3. When the VASP transfers virtual assets, it shall verify that the transaction counterparty (originating party or beneficiary party) is subject to and supervised for compliance with AML/ counter-financing of terrorism (CFT) requirements consistent with the standards set by the Financial Action Task Force (FATF).

8. Enforcement and cross-border recognition of tokenisation and structuring of secured transactions involving crypto assets.

Currently, Taiwan's laws and regulations do not have specific provisions regarding the tokenisation of existing financial instruments. However, according to a press release published by the FSC, the FSC

has studied the feasibility of promoting 'real world asset' (RWA) tokenisation in the domestic financial market and completed the project in September 2025.

According to the study, in terms of regulation, among countries that have already developed RWA (real world asset) token trading, relevant legal norms have yet to converge towards a unified approach. There are various directions being considered, such as enacting specialised laws, amending existing laws or interpreting current regulations. Each regulatory approach has its own advantages and disadvantages, and it is still necessary to tailor solutions to local conditions and assess the flexibility of future international alignment. The FSC has stated that, regarding regulatory adaptation, it has already requested the Taiwan Depository & Clearing Corporation and the Taipei Exchange to commission external research on regulatory adaptation issues related to the tokenisation of securities. In addition, certain task forces and platforms have been established to study regulatory adaptation issues for RWA tokenisation and stablecoins, respectively. The FSC will continue to closely coordinate with the Central Bank, the RWA tokenisation group and experts and scholars from the regulatory adaptation platform to ensure that future mechanisms for RWA tokenised trading, settlement and fund flows can align with international practices, jointly bringing more innovation and development to Taiwan's financial market.

So far, the issue of establishing security interests in crypto assets has not received very much attention, and the application of existing legal frameworks – such as the Civil Code – remains ambiguous. Greater clarity on this matter will likely depend on the development of judicial practice and the progressive accumulation of case law through future litigation.

Furthermore, there has been little discourse in Taiwan concerning the willingness of courts to recognise and enforce foreign governing law clauses in contracts involving crypto assets. Nonetheless, from a theoretical standpoint, the presence of crypto assets in a contractual relationship should not, in itself, affect the recognition and enforcement of such governing law clauses.

9. Litigation and jurisdiction on crypto assets: legal implications of disputes involving crypto assets.

There has been limited discussion in Taiwan regarding whether a party's submission to a foreign jurisdiction is legally binding and enforceable. However, from the perspective of Taiwanese law, the interpretation of such issues (for example, whether exclusive jurisdiction clauses shall be respected and enforceable in Taiwan) should not differ merely because crypto assets are involved.

10. Intellectual property and crypto assets: legal protection, ownership, enforcement and monetisation of IP rights related to digital and virtual assets.

Taiwanese court decisions have not extensively addressed the rights and issues pertaining to the intellectual property aspects of crypto assets. Within the existing legal framework governing intellectual property rights, it is challenging to envisage the protection of crypto assets through mechanisms such as patents or copyrights.



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