

Evolution of Taiwan's Deposit Insurance System

Update date : 2025-11-26

	Item	Year of Establishment (Sept. 1985)	Changes
1	Type of Membership	Voluntary	<ol style="list-style-type: none"> 1. Changed to mandatory system in January 1999 2. Revised in January 2007 as follows: <ol style="list-style-type: none"> (1) All financial institutions legally approved to accept deposits must apply to CDIC to join the deposit insurance system. (2) Such institutions may become insured institutions after inspection and approval by CDIC. (3) The two preceding items do not apply to insured institutions that have joined the deposit insurance system prior to the enactment of the revised <i>Deposit Insurance Act</i>.
2	Capital	<ol style="list-style-type: none"> 1. Legally prescribed capital NT\$2 billion 2. Paid-in capital NT\$800,050,000 	<ol style="list-style-type: none"> 1. Legally prescribed capital raised to NT\$5 billion in July 1992 2. Prescribed capital raised to NT\$10 billion in November 1995
3	Insured Institutions	<ol style="list-style-type: none"> 1. Domestic banks (excluding Chunghwa Post Co., Ltd.) 2. Small and medium business banks 3. Trust and investment companies 4. Credit cooperatives 5. Credit departments of farmers' and fishermen's associations 6. Foreign bank branches in Taiwan (even if their deposits are protected in their home countries) 7. Other financial institutions 	<ol style="list-style-type: none"> 1. Revised in January 1999 as follows: <ol style="list-style-type: none"> (1) include the financial institutions listed on the left and Chunghwa Post Co., Ltd. (2) foreign bank branches whose deposits are protected in their home countries may not participate 2. Revised in October 2013: Revised "Local Branches of Foreign Banks" into "Local Branches of Foreign Banks and Mainland Chinese Banks"

		designated by the Ministry of Finance										
4	Premium Assessment Base	Covered deposits (total liabilities over underlying deposits after subtracting the ineligible deposits and beyond the coverage limit)	Revised in January 2007 to total eligible deposits (total liabilities over underlying deposits after subtracting the ineligible deposits)									
5	Insurance Premium	Flat rate: 0.05%	<p>1. Flat rate, but reduced to 0.04% in July 1987</p> <p>2. Further reduced to 0.015% in January 1988</p> <p>3. Risk-based premium system adopted on July 1, 1999, and three-tiered rates instituted: 0.015%, 0.0175%, and 0.02%</p> <p>4. Three-tiered rates adjusted to 0.05%, 0.055% and 0.06% on January 1, 2000</p> <p>5. Revised in July 2007 to: Risk-based premium rates for covered deposits and a flat rate for eligible deposits above the coverage limit, as follows:</p> <table border="1" data-bbox="783 1106 1458 1769"> <thead> <tr> <th>Financial Institutions</th> <th>Risk-based Premium Rates</th> <th>Flat Premium Rate</th> </tr> </thead> <tbody> <tr> <td>Domestic banks, foreign bank branches in Taiwan, trust and investment companies, and credit cooperatives</td> <td>Five-tiered rates: 0.03%, 0.04%, 0.05%, 0.06%, and 0.07%</td> <td>Formerly 0.0025%, but from January 1, 2010 the flat premium rate was adjusted to 0.005%</td> </tr> <tr> <td>Credit departments of farmers' and fisherman's associations</td> <td>Five-tiered rates: 0.02%, 0.03%, 0.04%, 0.05%, and 0.06%</td> <td>0.0025%</td> </tr> </tbody> </table> <p>6. Revised in November 2010 to: Risk-based premium rates for covered deposits and a flat rate for eligible deposits above the coverage limit, effective from January 1, 2011; also revised in October 2013 the term "Local Branches of Foreign Banks" into "Local Branches of Foreign Banks and Mainland Chinese Banks" and applying the same</p>	Financial Institutions	Risk-based Premium Rates	Flat Premium Rate	Domestic banks, foreign bank branches in Taiwan, trust and investment companies, and credit cooperatives	Five-tiered rates: 0.03%, 0.04%, 0.05%, 0.06%, and 0.07%	Formerly 0.0025%, but from January 1, 2010 the flat premium rate was adjusted to 0.005%	Credit departments of farmers' and fisherman's associations	Five-tiered rates: 0.02%, 0.03%, 0.04%, 0.05%, and 0.06%	0.0025%
Financial Institutions	Risk-based Premium Rates	Flat Premium Rate										
Domestic banks, foreign bank branches in Taiwan, trust and investment companies, and credit cooperatives	Five-tiered rates: 0.03%, 0.04%, 0.05%, 0.06%, and 0.07%	Formerly 0.0025%, but from January 1, 2010 the flat premium rate was adjusted to 0.005%										
Credit departments of farmers' and fisherman's associations	Five-tiered rates: 0.02%, 0.03%, 0.04%, 0.05%, and 0.06%	0.0025%										

risk-based premium rate as follows:

Financial Institutions	Risk-based Premium Rates	Flat Premium Rate
Domestic banks, local branches of foreign banks and mainland Chinese banks	Five-tiered rates: 0.05%, 0.06%, 0.08%, 0.11%, and 0.15%	0.005%
Credit cooperatives	Five-tiered rates: 0.04%, 0.05%, 0.07%, 0.1%, 0.1%, and 0.14%	0.005%
Credit departments of farmers' and fisherman's associations	Five-tiered rates: 0.02%, 0.03%, 0.04%, 0.05%, and 0.06%	0.0025%

7. Revised in May 2025 to:

Risk-based premium rates for covered deposits and a flat rate for eligible deposits above the coverage limit, as follows, to be implemented starting from January 1, 2026.

Financial Institutions	Risk-based Premium Rates	Flat Premium Rate
Domestic banks, local branches of foreign banks and mainland Chinese banks	Seven-tiered rates: 0.0475%, 0.05%, 0.06%, 0.08%, 0.11%, 0.15%, and 0.20%	0.005%
Credit cooperatives	Seven-tiered rates: 0.0375%, 0.04%, 0.05%, 0.07%, 0.1%, 0.14%, and 0.19%	0.005%
Credit departments of farmers' and fisherman's associations	Seven-tiered rates: 0.0175%, 0.02%, 0.025%, 0.03%, 0.04%, 0.05%, and 0.06%	0.0025%

6 Coverage Limit NT\$700,000

1. Increased to NT\$1 million on August 15, 1987.
2. In July 2001, the government passed the Statute

			<p>for the <i>Establishment and Management of the Executive Yuan's Financial Restructuring Fund</i> and established the Financial Restructuring Fund to dispose of unsound financial institutions. During the period of the Fund's operation, the coverage limit was lifted on the deposits in unsound institutions under disposal or listed for disposal.</p> <ol style="list-style-type: none"> 3. Increased to NT\$1.5 million on July 1, 2007. 4. To stabilize the financial system and strengthen the confidence of depositors, the government announced in October 2008 that, until December 31, 2009, the deposits of depositors in insured institutions would be provided with temporary full coverage and would not be subject to the coverage limit. In October 2009, the government announced that the period of temporary full deposit insurance coverage would be extended one more year until December 31, 2010. 5. On August 12, 2010, the Financial Supervisory Commission, the Ministry of Finance and the Central Bank jointly announced that the coverage limit would be increased to NT\$3 million from January 1, 2011.
7	Scope of Coverage	Deposit principal and interest	<ol style="list-style-type: none"> 1. From January 1999, limited to deposit principal 2. Beginning in July 2001, the principal and interest of deposits in unsound financial institutions disposed of by the Financial Restructuring Fund were both guaranteed. 3. In October 2008, the government announced that the coverage of deposits under the temporary full deposit insurance coverage would encompass both principal and interest until December 31, 2009. 4. In October 2009, the government announced that the period of temporary full coverage would be extended a further year until December 31, 2010. 5. On December 29, 2010, amendments to Articles 12 and 13 of the <i>Deposit Insurance Act</i> were promulgated by Presidential decree, whereby the scope of coverage was enlarged to encompass both foreign currency deposits and interest on deposits. 6. In January 2012, Article 5-1 of the <i>Enforcement Regulations of the Deposit Insurance Act</i> was added

			<p>by the Financial Supervisory Commission. It identifies the 10 types of depositors and specifies the principles for aggregating deposits in the same issued institutions.</p> <p>On 27 June 2022, Article 5-1 of <i>the Enforcement Regulation of the Deposit Insurance Act</i> was amended by the Financial Supervisory Commission to add a new category of depositors, that is an user of an electronic stored value card and electronic payment account in an insured institution that receives deposits of funds as stored value businesses in accordance with <i>the Act Governing Electronic Payment Institutions</i>.</p>
8	Types of Eligible Deposits	<ol style="list-style-type: none"> 1. Checking deposits 2. Demand deposits 3. Time deposits 4. Savings deposits 5. Trust funds 6. Other deposits that the competent authority has approved as eligible 	<ol style="list-style-type: none"> 1. Same as the left column. (Beginning in July 2001, all deposits and non-deposit liabilities of insured institutions disposed of by the Financial Restructuring Fund were fully guaranteed. In June 2005, after a revision of the Statute for the <i>Establishment and Management of the Executive Yuan's Financial Restructuring Fund</i>, the non-deposit liabilities of unsound financial institutions were not eligible for protection. However, those non-deposit liabilities that were incurred prior to the implementation of the revised Statute remained protected.) 2. Deletion of trust funds and savings deposits in January 2007. 3. Provisions added in May 2008: Deposits required by law to be deposited in certain financial institutions. 4. In October 2008, the government announced that until December 31, 2009, the deposits of depositors in insured institutions would be provided with temporary full coverage. According to the Measures to Support the Full Deposit Insurance Coverage jointly promulgated by the Financial Supervisory Commission, the Ministry of Finance and the Central Bank on October 28, 2008, the scope of the temporary full deposit insurance coverage includes the following: <ol style="list-style-type: none"> (1) The principal and interest of deposits pursuant to Paragraphs 1 and 2 of Article 12 of the <i>Deposit</i>

			<p><i>Insurance Act</i></p> <p>(2) Interbank call loans</p> <p>(3) The payments during the period in which CDIC acts as a conservator that are necessary to keep an insured institution operating as well as the pensions, severance pay, and related taxes that shall be paid according to law</p> <p>(4) Bank debentures issued on or before June 23, 2005</p> <p>5. In October 2009, the government announced that the period of temporary full deposit insurance coverage would be extended a further year until December 31, 2010.</p> <p>6. On December 29, 2010, amendments to Articles 12 and 13 of the <i>Deposit Insurance Act</i> were promulgated by Presidential decree, whereby the deposits within the territory of the Republic of China would be the targets of deposit insurance, not include the deposits accepted by offshore banking branches.</p>
9	Scope of Capital Utilization	<p>1. deposits at the Central Bank</p> <p>2. Investments in government bonds, bonds with principal and interest guaranteed by the government, or financial debentures</p>	<p>1. The following revisions were effective in January 1999:</p> <p>(1) Deposits at the Central Bank</p> <p>(2) Deposits in financial institutions approved by the competent authority and which provide government bonds as collateral</p> <p>(3) Investments in government bonds and financial debentures</p> <p>2. Revised in January 2007 as follows:</p> <p>(1) Deposits at the Central Bank</p> <p>(2) Investments in government bonds</p> <p>(3) Utilization by methods approved by CDIC Board of Directors</p>
10	Means of Fulfilling Insurance Responsibilities	<p>1. Cash payouts</p> <p>2. Deposit transfers</p> <p>3. Temporarily continued operation in the name of CDIC</p>	<p>1. According to revisions enacted in January 1999, the provision of financial assistance to encourage acquisitions or assumptions by other insured institutions was added to the three means listed to the left.</p> <p>2. Revised in January 2007 as follows:</p> <p>(1) Deletion of temporarily continued operation in the name of CDIC.</p>

			(2) In addition to providing financial assistance to encourage acquisitions or assumptions of insured institutions that have been ordered to close, such financial assistance can also be provided to insured institutions being put under conservatorship or taken over by the authorities according to law.
11	Advance Payment for Deposit and Non-deposit Liabilities in Excess of Coverage Limit	None	According to revisions made in January 1999, advance payment is allowed to resolve the needs of creditors' liquidity at failed institutions, under the principle that no additional costs are incurred.
12	Exemption from Open Tender, Price Comparison, Price Negotiation, and the Provisions of Articles 25-27 of the <i>Budget Act</i> When Disposing of Problem Insured Institutions	None	Added in January 1999
13	Recipient of Financial Assistance and Method of Assistance	Limited to loans or the purchases of assets to enable problem financial institutions to resume operation, when such resumption is deemed necessary.	<p>1. Revised in January 1999 as follows:</p> <p>(1) Insured institutions under guidance, superintendence, or conservatorship, may be assisted by provision of loans or deposits.</p> <p>(2) Other insured institutions that acquire or assume insured institutions that are under guidance, superintendence, or conservatorship, or that have failed, may be assisted with loans, deposits, or the provision of funds and guarantees.</p> <p>2. Revised in January 2007 as follows:</p> <p>(1) If an insured institution has a seriously deficient net worth, or there is concern that it seriously threatens the credit order and financial stability,</p>

			<p>and the competent authority has determined a need for the institution's liquidation or market withdrawal, and personnel are dispatched to assume conservatorship or take over the powers of the board of directors and supervisors of the institution prior to liquidation or market withdrawal. In such cases, CDIC may provide loans, deposits or other financial assistance to the insured institution.</p> <p>(2) Before providing financial assistance, CDIC shall request the full amount of collateral from the financial holding company of the insured institution or from any other insured institution that it has a dominant shareholding.</p> <p>(3) In cases where the competent authority has dispatched personnel to assume conservatorship or take over the powers of the board of directors and supervisors of an insured institution, CDIC may encourage the acquisition or assumption of the institution by the other insured institutions or financial holding companies, by providing funds, arranging loans, deposits or guarantees, or purchasing the subordinated securities issued by the acquiring or assuming insured institutions or financial holding companies.</p>
14	Borrowing of Funds from Other Financial Institutions	None	Added in January 1999
15	Provision of Collateral when Applying to the Central Bank for Accommodation	Full collateral must be provided.	<p>1. Revised in January 1999 as follows:</p> <p>(1) The part for which CDIC is unable to provide collateral is to be guaranteed by the National Treasury.</p> <p>(2) When the secured portion exceeds CDIC's net worth, the competent authority and the Central Bank must apply to the Executive Yuan for approval.</p> <p>2. Revised in January 2007 to:</p> <p>Through a joint request by the competent authority with the Ministry of Finance and the Central Bank and approval by the Executive Yuan, the part for</p>

			which collateral cannot be provided may be guaranteed by the National Treasury.
16	Penalty for Refusal to Apply to Participate in Deposit Insurance	None	<ol style="list-style-type: none"> 1. Provision added in January 1999: A fine of double the amount of the deposit insurance premium for penalty is to be imposed. 2. Revised in January 2007 to: Depending on whether the institution is a general financial institution or agricultural financial institution, CDIC shall report to the competent authority to order the financial institution to replace its persons in charge or to revoke its business license.
17	Method of Allocation of CDIC's Surplus	As stipulated in the <i>Company Act</i> .	<ol style="list-style-type: none"> 1. Revised in July 2001 to: The entire amount of the surplus remaining after the accounts are closed should be placed into the Deposit Insurance Payout Special Reserves. 2. Revised in January 2007 to: The entire amount of the surplus remaining from annual income after deducting costs, expenses and losses shall be deposited into the Deposit Insurance Payout Special Reserves.
18	Depositor Preference	None	<p>Addition in May 2006:</p> <p>When an insured institution is disposed of by CDIC with the stipulation of the <i>Deposit Insurance Act</i> by the competent authority or the central competent authority for agricultural finance for resolution or liquidation upon clearing the debt, its deposit liabilities shall take precedence over non-deposit liabilities.</p>
19	Establishment of Two Separate Deposit Insurance Payout Special Reserves	None	<p>Addition in January 2007:</p> <ol style="list-style-type: none"> 1. The reserves were divided into separate deposit insurance payout accounts for general financial institutions and agricultural financial institutions. 2. Both reserve funds have a target ratio of 2% of covered deposits.
20	Inspection of Insured Institutions	If CDIC deemed it necessary, and after obtaining the prior approval of the competent authority in consultation with the Central Bank, CDIC could examine the	<ol style="list-style-type: none"> 1. Revised in January 2007 as follows: CDIC may in accordance with Article 24 of the <i>Deposit Insurance Act</i> conduct inspections on insured institutions on the following items: (1) Accuracy of deposit assessment base and the content of the electronic data files for the calculation of deposit insurance premiums and

		business records and accounts of an insured institution.	<p>the amount of the payout.</p> <p>(2) Any event causing the termination of the deposit insurance agreement.</p> <p>(3) Assets and liabilities of insured institutions prior to the fulfillment of insurance responsibilities.</p> <p>(4) Property information and information needed to pursue civil liabilities for illegal acts or omissions by employees of failed insured institutions and for those of problem insured institutions that receive financial assistance.</p> <p>2. Addition in January 2012: Pursuant to Subparagraph 1, Paragraph 1, Article 24 of the <i>Deposit Insurance Act</i> and Item 4, Point 3 of the Implementation Scheme for the Deposit Insurance Premium System approved by the Financial Supervisory Commission, in order to verify the accuracy of the data and files related to the risk indicators reported by insured institutions, CDIC may conduct review inspections and evaluation inspections.</p>
21	Elimination of Limits on Payout Cost	None	<p>Addition in January 2007:</p> <p>1. When there is concern of a serious threat to credit order and financial stability, after CDIC obtains the consent of the competent authority in consultation with the Ministry of Finance and the Central Bank and with the final approval of the Executive Yuan, the limit on payout cost may be eliminated.</p> <p>2. When the elimination of limits on payout costs occurs, if the CDIC is unable to consult with other insured institutions or financial holding companies to acquire or assume the closed insured institution, it may set up a bridge bank to assume all or part of the business, assets and liabilities of the closed insured institution.</p>
22	Set-off	None	<p>Addition in January 2007: Before handling any payout, CDIC Taiwan may offset the claims of a depositor against his/her liabilities in the failed insured institution.</p>
23	Termination of Membership	If an insured institution violated the laws or regulations or the	<p>Revised in January 2007 to: The scope of reasons for termination of insured status is revised to also include the following:</p>

		<p>deposit insurance agreement or engaged in unsound business transactions, and failed to rectify such violations within the time limit prescribed by CDIC, CDIC shall terminate its status as an insured institution and report such action to the competent authority for disposal.</p>	<p>1. An insured institution is ordered and required by the competent authority or the central competent authority for agricultural finance to be recapitalized or improve its financial or business condition, but fails to meet such requirements within the prescribed time limit; or the time limit is not due but the competent authorities or CDIC deem the said insured institution's condition non-improvable.</p> <p>2. There is a major fraud or other illegal activities occurring at an insured institution with the potential to increase the deposit insurance payout cost.</p> <p>In the aforementioned situations, CDIC shall, after notifying the competent authority or the central competent authority for agricultural finance, terminate the deposit insurance membership of the insured institution and make a public announcement.</p>
24	Disclosure Requirement of Eligibility of Deposit Insurance in Financial Products	None	Added in January 2007
25	Depositor Protections upon Termination of Membership	CDIC shall continue to protect the depositors' deposits up to the coverage limit for one year after the date of termination of membership.	Revised in January 2007 to: CDIC shall continue to protect the depositors' deposits up to the coverage limit for six months after the date of termination of membership.