



ATLAS

BY BNP PARIBAS

CASH MANAGEMENT

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BNP PARIBAS

The bank
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world

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Taiwan's economic system is characterised by a robust export-oriented model, prominently featuring advanced technology and a strong industrial base. In 2023, the gross domestic product (GDP) of Taiwan amounted to around 23.5 trillion New Taiwan dollars or 755.1 billion U.S. dollars (at current prices). Annual GDP growth dropped to 1.3 percent in 2023 but was forecasted to grow to 3.9 percent in 2024.

As of 2022, projections for GDP growth in the near future have remained optimistic, with expectations of sustaining positive momentum. The medium-term economic outlook for Taiwan has been promising, supported by factors such as innovation, robust infrastructure, and strategic investments. These elements contribute to the country's resilience amid global uncertainties.

Macroeconomic fundamentals have been reported as sound, reflecting prudent fiscal policies and a resilient financial sector. This underlines Taiwan's ability to navigate challenges effectively. The currency exchange rate is influenced by various factors, including trade dynamics and global economic conditions. The New Taiwan Dollar (TWD) is subject to these influences, with the central bank implementing a stable exchange rate policy to ensure competitiveness and economic stability.

Summary

BNP Paribas presence

BNP Paribas has had a presence in Taiwan since 1981, the largest French bank in the country, and one of the most significant foreign banks, with branches in Taipei, Taichung and Kaohsiung. These branches offer comprehensive local and cross-border cash management and international trade finance services to Taiwanese, Chinese and foreign corporations. Cash management and international trade finance services are part of a wider suite of services from corporate advisory, capital markets, and specialist financing through to wealth management, asset management and insurance offerings.

Currency

Currency

- New Taiwan dollar (TWD).

Exchange rates

	2019	2020	2021	2022	2023
Exchange rate: TWD per USD	30.92	29.57	28.02	29.77	31.50

Sources: Central Bank of the Republic of China (Taiwan), June 2021.

Central Bank

- The Taiwanese central bank is the Central Bank of the Republic of China (CBC – www.cbc.gov.tw).

Bank accounts

Resident / non-resident status

- A profit-seeking enterprise that is incorporated in Taiwan or its head office is in Taiwan is considered to be a Taiwanese resident company, unless it is regarded as a resident in another country under a Taiwanese tax treaty.

Bank accounts for resident entities

	Within TAIWAN	Outside TAIWAN
Local Currency	Permitted without restriction, fully convertible.	Local currency is not available offshore.
Foreign Currency	Permitted without restriction, fully convertible.	Permitted, fully convertible. A resident company must be present in a foreign country to open a foreign currency account

Bank accounts for non-resident entities

	Within TAIWAN	Outside TAIWAN
Local Currency	Permitted with restrictions, convertible. Only foreign banks, insurers or securities firms with Ministry of Finance approval are permitted to hold TWD cheque accounts	Not applicable.
Foreign Currency	Permitted without restriction, fully convertible.	Not applicable

Lifting fees











- Per-item-based charges and/or subscription fees are applied on payments between resident and non-resident bank accounts.

BNP Paribas Cash Management Capabilities

Collections

Cash collections	
Cheque collections	
Direct debit collections	
Domestic incoming transfers	
Virtual IBAN	
Virtual accounts	
International incoming transfers	
Card acquiring	

Payments

Cash withdrawals	
Cheque payments	
Direct debit payments	
Domestic outgoing transfers	
Commercial cards	
Virtual cards	
International outgoing transfers	
SWIFT gpi	
Real-time international payments through BNP Paribas' network	
Card issuing	

Channels

Local e-Banking	
Global e-Banking - Connexis	
SWIFT/ host to host	

Payments & collections

Market overview

As of August 2023, 13 financial institutions had approximately 310,000 cash cards in business, while 32 institutions had issued 57.67 million credit cards, with a total of 36.83 million active cards. Visa and MasterCard-branded credit cards are the most widely issued.

The Taiwanese government is investing heavily in promoting digital payments and has set a target of 90% of mobile phone users using mobile payments by 2025. Mobile payments totalled TWD 120.9 billion in the first seven months of 2020, a 156% increase year on year. LINE Pay, Apple Pay and JKoPay are the most popular mobile payment methods. This emphasis on mobile and electronic payments has seen a marked decline in the use of cheques by companies and consumers. The launch of internet-only banks (three banks were granted licences in 2019, LINE Bank, Next Bank and Rakuten Bank) is likely to further increase the adoption of digital payments.

Electronic banking services are available from most banks. There is no national electronic banking standard in Taiwan, so companies use banks' proprietary services.

Online and mobile banking services are provided by Taiwan's leading banks.

FISC, an electronic funds transfers system, operates a Mobile Banking Payment System linking telecoms companies with financial institutions. Mobile banking transactions increased 51% and 74% in value and volume terms in 2019. Internet banking transactions increased 14% and 74% in value and volume terms.

Payment Systems

CIFS	Type	<ul style="list-style-type: none">• Real-time gross settlement.
	Participants	<ul style="list-style-type: none">• 39 domestic banks, 29 local branches of foreign banks, 8 bills finance corporations, and 6 clearing institutions. All direct participants must have settlement accounts with the CBC.
	Transaction types processed	<ul style="list-style-type: none">• High-value and urgent TWD-denominated electronic payments.• RMB-denominated payments.• Credit card payments• Net obligations from the TCH and ACH payment systems.
	Operating hours	<ul style="list-style-type: none">• 09:00–17:40 CST, Monday to Friday.

	Clearing cycle details (e.g. cut-off times)	<ul style="list-style-type: none"> • Payments are cleared and settled in real time. • Payment cut-off time = 17:00 CST. • TCH and ACH net obligations cut-off time = 15:30 CST.
	System holidays	<ul style="list-style-type: none"> • The system is open on all business operating days.
IBRS/FISC RTGS	Type	<ul style="list-style-type: none"> • Net settlement system.
	Participants	<ul style="list-style-type: none"> • 47 direct.
	Transaction types processed	<ul style="list-style-type: none"> • Low-value and bulk TWD-denominated electronic payments. There is a maximum threshold of TWD 50 million.
	Operating hours	<ul style="list-style-type: none"> • 09:00-15:30 CST, Monday to Friday.
	Clearing cycle details (e.g. cut-off times)	<ul style="list-style-type: none"> • Payments are cleared and settled on a same-day basis. • Cut-off time = 15:00 CST.
	System holidays	<ul style="list-style-type: none"> • The IRS is closed on all Taiwanese bank holidays. • Taiwan's bank holidays are: • 2nd half 2021: September 21, October 10, December 31.. • 2022: January 31, February 1-3, 28, April 5, 6, May 2, June 3, September 10, October 10.
ACH	Type	<ul style="list-style-type: none"> • Designated time net settlement system.
	Participants	<ul style="list-style-type: none"> • All financial institutions with a CBC account.
	Transaction types processed	<ul style="list-style-type: none"> • Direct debits and credits.
	Operating hours	<ul style="list-style-type: none"> • N/A
	Clearing cycle details (e.g. cut off times)	<ul style="list-style-type: none"> • Direct debit payments are cleared and settled within a two-day cycle. • Direct credit payments are cleared and settled on a next-day basis via the CIFS at 15:00 CST.
	System holidays	<ul style="list-style-type: none"> • The ACH is closed on all Taiwanese bank holidays. • Taiwan's bank holidays are: • 2nd half 2021: September 21, October 10, December 31.. • 2022: January 31, February 1-3, 28, April 5, 6, May 2, June 3, September 10, October 10.

TCH	Type	<ul style="list-style-type: none"> • Designated time net settlement system.
	Participants	<ul style="list-style-type: none"> • All financial institutions approved to operate checking deposit business with the exception of credit cooperatives and farmers and fishermen associations.
	Transaction types processed	<ul style="list-style-type: none"> • Paper-based payments (cheques, bank drafts and promissory notes) which are truncated into electronic items before being processed.
	Operating hours	<ul style="list-style-type: none"> • 09:00–17:30 CST, Monday to Friday.
	Clearing cycle details (e.g. cut off times)	<ul style="list-style-type: none"> • The TCH operates a number of clearing cycles for different payment types. • Intracity cheque payments are settled on a two-day cycle. • Intercity cheques payments are settled within seven days. • eCheque payments are settled on a same-day basis. • Final settlement takes place via the CIFS at 15:00 CST.
	System holidays	<ul style="list-style-type: none"> • The TCH is closed on all Taiwanese holidays. • Taiwan's bank holidays are: • 2nd half 2021: September 21, October 10, December 31.. • 2022: January 31, February 1-3, 28, April 5, 6, May 2, June 3, September 10, October 10.

Credit transfers

- Credit transfers are used by companies to pay salaries and suppliers, and to make tax payments.
- High-value and urgent TWD-denominated credit transfers are settled in real time via the CIFS.
- High-value and urgent transfers can also be made through FISC and are processed on a same day basis.
- Low-value and non-urgent TWD-denominated credit transfers can be settled on a same-day basis via the IRS, or settled within two working days via the ACH. Final settlement takes place via the CIFS.
- The FISC operates a clearing and settlement platform for processing domestic and cross-border EUR, JPY, USD and RMB payments.
- Cross-border credit transfers can also be settled via correspondent banking networks. Most banks have a direct connection to the SWIFT network. Some banks can access TARGET2 for high-value transfers or STEP1/STEP2 for low-value transfers through their correspondent banking partners.
- The volume and value of ACG credit (debit) transfers rose by 0.9% and 1.0% in 2019, on 2018 figures, to 124.3 million, with a value of TWD 31,016 billion.

Cheques

- The cheque is a popular cashless payment instrument. It is primarily used by companies.
- Cheques are truncated into electronic items before being processed via the TCH. Cheques are still manually processed in the Hualien, Taitung and Penghu clearing houses.
- Final settlement takes place via the CIFS on a next-day basis for eCheques, within two working days for intracity cheques and within seven working days for intercity cheques. Foreign cheques take 14 days to clear.
- The volume and value of cheque settlement fell 5.5% and 6.2% in 2019, on 2018 figures, to 83.6 million, with a value of TWD 14,936 billion.

ATM/POS

- There were 31,216 ATMs in Taiwan at the end of 2020.
- All ATMs and POS terminals are EMV-compliant.
- Payments are processed via the National Credit Card Centre or the Shared Credit Card and ATM System and settled via the CIFS.

Electronic wallet

- Four electronic stored value card institutions (Easycard Corp., Ipass Corp., icash Corp. and Yuan Hsin Digital Payment Corporation) and one commercial bank are engaged in electronic stored value card business in Taiwan. E-money cards in Taiwan are restricted to a maximum value of TWD 10,000.
- There were 135.2 million stored-value pre-paid cards in circulation at the end of 2020.
- There are 28 e-payment institutions in Taiwan and as of December 2020, there were 11.8 registered users. JKO Pay and IPASS are the largest e-payment institutions.
- E-money payments are settled via the individual schemes.

Short term investments

Market overview

Interest payable on credit balances

- Current accounts are non-interest bearing.

Demand deposits

- Demand deposits denominated in TWD or major foreign currencies are available for terms up to one year.
- Interest earned by non-residents on foreign currency accounts held at Offshore Banking Units is not taxed.

Time deposits

- Time deposits are available in TWD or major foreign currencies with terms ranging from overnight to one year.
- Time deposits are not permitted for investors from abroad.

Certificates of deposit

- Domestic banks and the CBC issue certificates of deposit with terms ranging from one to 12 months.
- Certificates of deposit can be issued paying fixed or variable interest.

Treasury (government) bills

- The Taiwanese government issues Treasury bills (T-bills) via the CBC. The minimum investment is TWD 5 million.
- T-bills are issued with terms ranging from 63 to 364 days.
- The minimum denomination is TWD 5 million for initial auctions and TWD 1 million at buy-back auctions.

Commercial paper

- Domestic commercial paper is issued by companies. Most paper is issued as short-term, unsecured promissory notes with terms ranging from one month to one year.

Money market funds

- Domestic money market funds are available as short-term investment instruments.

- Foreign investors are prohibited from investing over 30% of their funds in money market funds with terms of less than 12 months.

Repurchase agreements

- Repurchase agreements with maturities ranging from overnight to one week are commonly available in Taiwan.

Banker's acceptances

- Banker's acceptances are not widely used in Taiwan.

BNP Paribas Trade Finance Capabilities

Trade payments

Documentary credits	✓
Documentary collections	✓

Guarantees

Bank guarantees	✓
Standby letters of credit	✓

Supply chain management

Receivables	✓
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Payables	✓
Inventory	●

Trade channels

Connexis Trade	✓
Connexis Supply Chain	✓
SWIFTNet Trade for Corporates	✓
Connexis Connect	●
Connexis Guarantee	●
SWIFTnet Supply Chain	●

- BNP Paribas Global Trade Solutions (GTS) offers dedicated trade finance support, providing traditional trade finance and supply chain management solutions in line with the needs of corporations headquartered in, or operating in Taiwan. The local GTS team supports some of the biggest names in the manufacturing and Information Technology industries based on its expertise, supply chain management solutions and access to the GTS network.

International trade

General trade rules

- Taiwan is a member of an Economic Cooperation Framework Agreement (ECFA) with China.
- Taiwan currently has 7 free trade zones, six sea ports and one airport: i) Keelung Port FTZ, ii) Suao Port FTZ, iii) Taipei Port FTZ, iv) Taoyuan Air Cargo Park FTZ, v) Taichung Port FTZ, vi) Anping Port FTZ, vii) Kaohsiung Port FTZ.

Trade agreements

- FTAs signed with trading partners: New Zealand, Singapore, Eswatini, Paraguay, Guatemala, Panama, Belize, Marshall Islands.

For more details: cf. <https://www.trade.gov.tw/english/Pages/List.aspx?nodeID=672>

Imports / exports

Imports	Electronic products (18.2%)	Mineral products (15.2%)	Machinery (12.4%)	Chemicals (10.8%)	Base metals (7.3%)	
Primary Import sources	Mainland China & Hong Kong (19.6%)	Japan (17.6%)	Europe (12.6%)	USA (12.4%)	ASEAN countries (11.8%)	Middle East (7.7%)
Exports	Electronics (33.1%)	Information, communication, audio products (10.8%)	Base metals (8.8%)	Plastics & rubber (7.1%)	Machinery (7.5%)	
Export markets	Mainland China & Hong Kong (40.0%)	ASEAN countries (18.3%)	USA (12.0%)	Europe (9.0%)	Japan (7.0%)	South Korea (5.0%)

Import / export volumes

		2016	2017	2018	2019	2020
Exports	- goods USD m	309,283	342,706	345,495	330,743	342,303
	- services USD m	41,291	45,213	50,209	51,838	41,263
Imports	- goods USD m	238,323	261,448	278,461	273,072	267,136
	- services USD m	51,778	53,936	56,831	56,905	37,767

Current account as % GDP	13.5	14.7	12.2	10.7	14.2
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For updated data, cf.:

<https://tradingeconomics.com/taiwan/imports>

<https://tradingeconomics.com/taiwan/exports>



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