Regulatory Framework for Digital Assets in Taiwan

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2026.11.19

Outline

1. Overview of Taiwan's Regulatory Framework for Digital Assets
2. Introduction of Virtual Asset Service Act
3. Regulatory Approach to Stablecoins
4. Progress in Promoting Real World Assets
5. What's Next

1 Overview of Taiwan's Regulatory Framework for Digital Assets

Regulatory Framework for Digital Assets

	Virtual Assets	RWA
Definition (Features)	Values stored, exchanged, or transferred using cryptography and distributed ledger technology, used for payment or investment purposes. (without any physical underlying assets)	Digital financial assets, commodities, or other assets registered using cryptography and distributed ledger technology. (value is directly backed by real-world assets)
Products	• Stable Coins(USDC、USDT) • Non-stablecoin virtual assets (e.g., Bitcoin, Ethereum)	• Tokenized stocks, bonds, ETFs • Tokenized gold, silver or other precious metals • Tokenized carbon credits

2 Introduction of VA Service Act

The Four-Stage Approach for regulating VA Service Providers

Stage 1
(Nov 2018)

AML-based Supervision

Promulgated **the VASP AML/CFT Regulations** to bring VASPs under regulatory oversight

Stage 2
(2024)

VASP industry Self-Regulation

Establish **VASP Association &** develop **Self-Regulatory Standards**

Stage 3
(Nov 2024)

AML Registration Framework

Impose **criminal liability** on unregistered VASPs

Stage 4
(In Progress)

VA Service Act

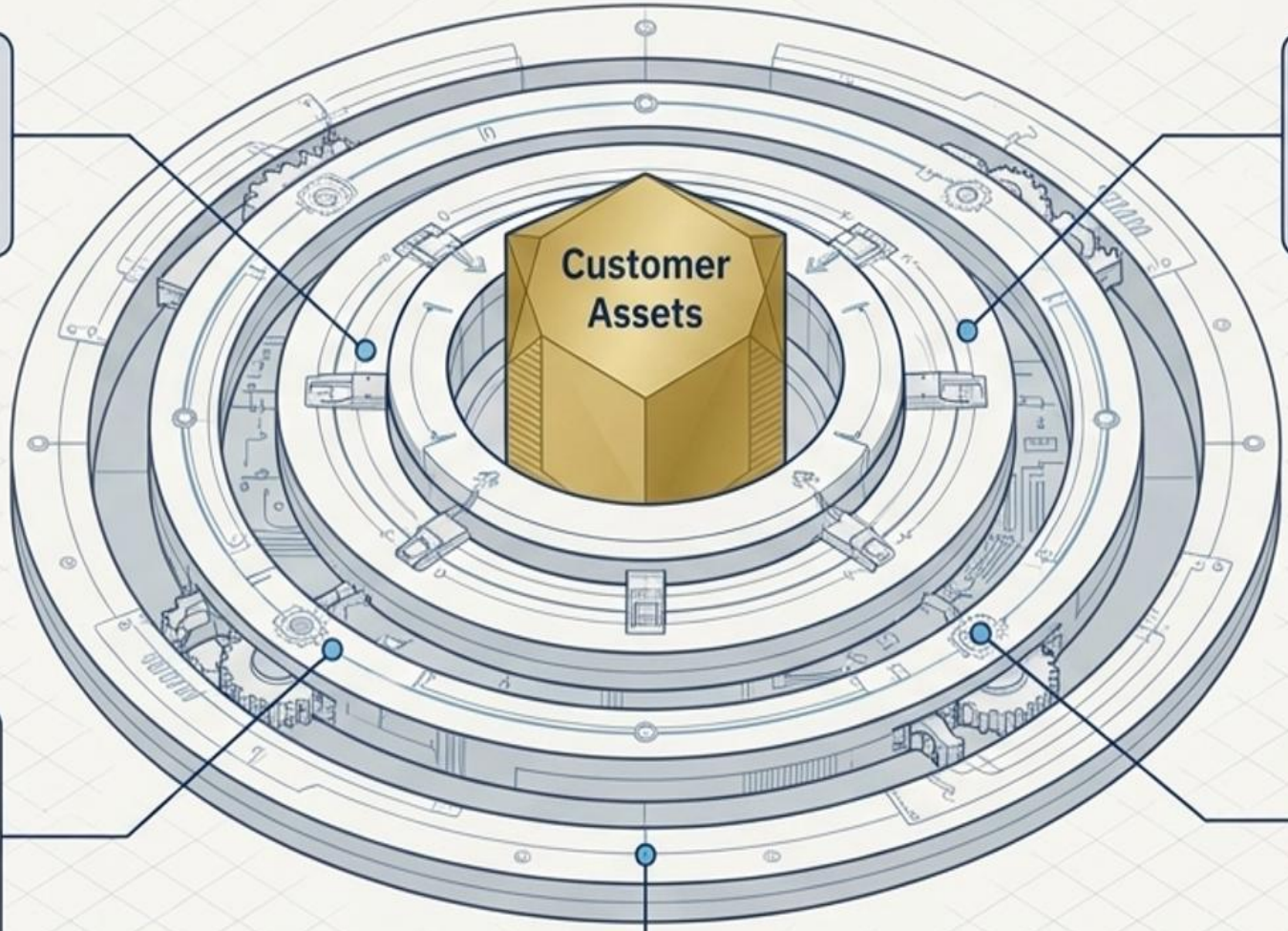
- From AML compliance to **comprehensive oversight**
- Planned to take effect in Q1 2027

AML Act → **VA Service Act**

Key Regulatory Framework of VA Service Act

Licensing & Business:
Minimum capital, operational security deposits, corporate structure, internal controls.

※ Violators face up to 7 years's imprisonment and fines up to NT$100 million (USD 3.3 million)



Asset Segregation:
Strict separation of customer assets from VASP proprietary assets to protect against insolvency.

Market Integrity:
Token listing/delisting procedures; absolute prohibition of fraudulent activities and market manipulation.

※ Violators face 3–10 years' imprisonment and fines of NT$10 million–200 million (USD 0.33–6.6 million)

Financial Reporting:
Periodic submission of financial reports audited or reviewed by CPAs.

Regulatory Exit:
Defined liquidation mechanisms to ensure customer obligations are met if operations cease.

3 Regulatory Approach to Stablecoins

Regulatory Framework of Stablecoin

Definition of Stablecoin

a VA that represents a value link with a single or multiple fiat currencies to maintain its value stability.

Domestically Issued Stablecoin

Issuance-side management

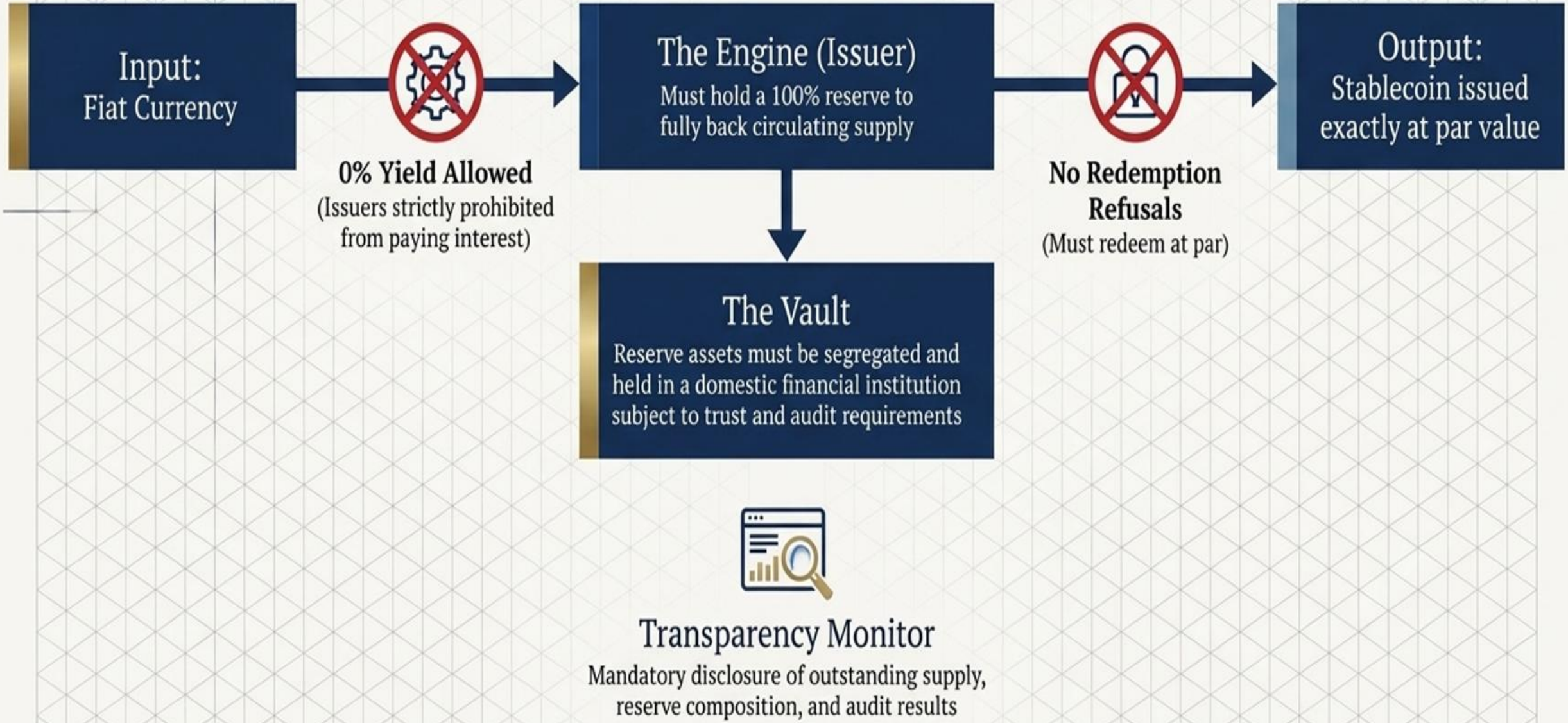
Issuers must obtain **approval for issuance** from FSC in conjunction with Central Bank.

Overseas Issued Stablecoin (e.g. USDT, USDC)

Transaction-side management

VASPs need to obtain **approval for admission** from FSC.

Requirements Applicable to Stablecoin Issuers



4 Progress in Promoting Real World Assets

Regulatory Principles for RWA Tokenization

CORE REGULATORY PRINCIPLE

“Same Business, Same Risk, Same Rules”

Blockchain technology serves as an execution wrapper. It does not alter the underlying legal and financial nature of the asset.

ASSET CLASS: BONDS / FUNDS

Securities Regulation

APPLICABLE FRAMEWORK

Securities and Exchange Act

Tokenized debt, equity, or investment funds strictly follow standard capital market disclosures, investor protections, and licensing rules.

ASSET CLASS: DERIVATIVES

Futures Regulation

APPLICABLE FRAMEWORK

Futures Trading Act

Tokenized derivative contracts or forward obligations remain fully subject to derivative trading mandates and clearing protocols.

Progress in Promoting RWA Tokenization

Verified the technical feasibility of RWA

Conducted bond and fund tokenization POC verification with private financial institutions from May 2024 to September 2025.

1. Domestic Bonds

- Led by Cathay Securities
- Underlying Assets：Unsecured Corporate Bonds、Financial Bonds

2. Foreign Bonds

- Led by Taishin Bank
- Underlying Assets：Foreign Corporate Bonds

3. Mutual Funds

- Led by Yuanta Financial Holdings
- Underlying Assets：Taiwan Equity Funds, TWD Money Market Funds

RWA platform built by Cathay Securities

RWA platform built by TDCC

RWA platform built by TDCC

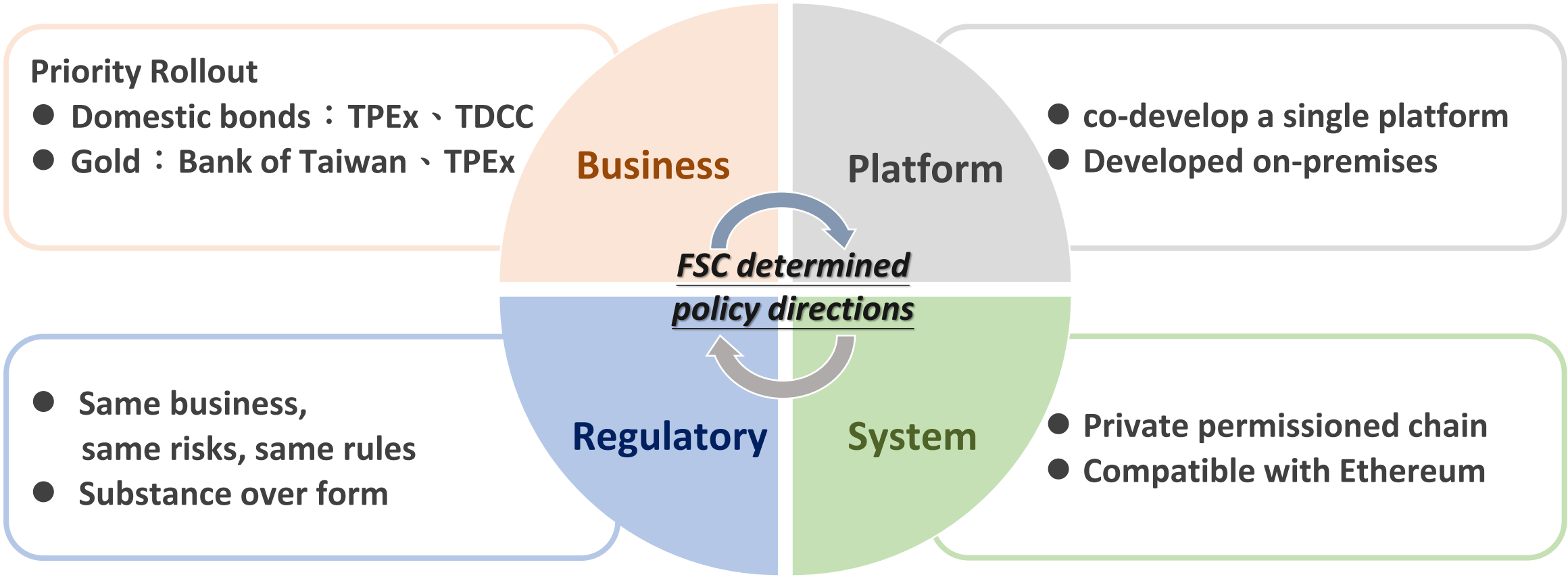
Financial Information Service Co. (FISC) Cash Flow Platform

Conclusion

Successfully verified the technical feasibility of security tokenization

Progress in Promoting RWA Tokenization

FSC co-work with five major financial market infrastructures (FMIs)
—includes TWSE, TPEx, TAIFEX, TDCC, and FISC.



Progress in Promoting RWA Tokenization

FSC

Special Committee

(TWSE, TPEx, TAIFEX, TDCC, and FISC)

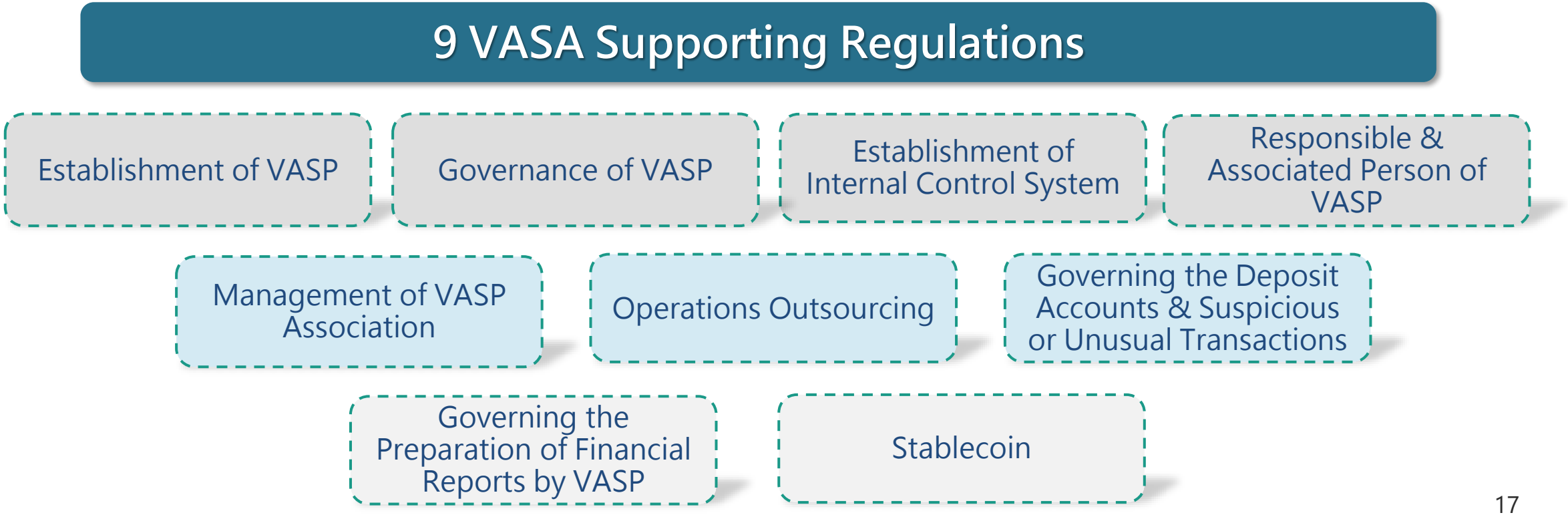
Addressing Four Key Platform Governance Issues

Business Planning	System Planning	Regulatory Framework	Platform Construction
• Platform operations management • Scope of eligible products • Institutional framework and workflow processes	• Platform system architecture and blockchain type • System integration, bridging, and cybersecurity	• Review and adaptation of current laws/regulations • Operational rules and procedure manuals	• Separate or collaborative construction • Cloud-based or on-premises deployment

5 What's Next

Implementation of VA Service Act

1. Formulate the 9 regulations under the VA Service Act.
2. Both the Act and the regulations are expected to take effect together in the first quarter of 2027.



Key Issues and Planning for Future RWA Implementation

System Construction

- Underlying blockchain deployment completed by end of September 2026.
- System construction and testing will proceed according to schedule.

Regulatory Adaptation

- Continue reviewing and revising relevant regulations and rules.
- Draw on international experience to facilitate timely implementation

Goal

- By end of 2026: Conduct simulated trading for gold tokens.
- By Q1 2027: Conduct simulated trading for bond tokens.



Thank You

Unlocking Taiwan’s Digital Asset Opportunity

Institutional infrastructure, trade settlement rails, and cross-border capital flows for global financial institutions

Carl Wegner
President, American Chamber of Commerce in Taiwan

THEME 01 · REGULATORY INFLECTION

From Grey Zone to Bank-Grade Rules



June 2026 VASA Law

Graduates from AML checks to full licensing.



Seven Regulated Verticals

Covers custody, transfers, trading, and lending.



Strict Enforcement Teeth

Mandatory asset segregation and NT$200M fines.

THEME 02 · INCUMBENT ADVANTAGE

Banks Are in the Driver’s Seat

Article 7 Concurrent Operation

Traditional banks run digital asset lines directly.

Higher Capital Floors

Balance-sheet strength and trust become decisive.

12–21 Month Transition Window

Prime opening for global sub-custody partnerships.



THEME 03 · SUPPLY-CHAIN SETTLEMENT

Stablecoins as Next-Gen Trade Rails



24/7 Programmable Settlement

Replaces slow, costly cross-border wires.

Dual CBC & FSC Oversight

100% reserves held in domestic bank trusts.

Early 2027 Rulebook

Compliant USD and NTD supply-chain payments.

THEME 04 · PRIVATE WEALTH & ETFS

Unlocking Taiwan’s Massive Wealth Pool



Asian Asset Hub Push
Aligns digital assets with wealth strategy.



Kaohsiung Zone Access
Banks distribute foreign ETFs via trusts.



Deep Liquidity Channel
Compliant distribution for global asset managers.

THEME 05 · ON-CHAIN ASSETS & RISK STANDARDS

Tokenizing Real-World Trade & Capital

ASSET TOKENIZATION

Supply-Chain Receivables on Chain

RWA Pilots: Cathay Financial and BlackRock momentum

Trade Debt: Fractionalized, verifiable invoice financing

INSTITUTIONAL STANDARDS

Global Risk & Data Alignment

TWSE & Bloomberg: Strategic collaboration MOU signed

Basel Compliance: Standardized institutional crypto risk tools

THEME 06 · STRATEGIC TIMING

The **Window** of Opportunity Is Now

- → Crypto Derivatives Roadmap: Legislative mandate for institutional hedging
- → AI Hardware Convergence: Machine-to-machine supply-chain payment rails
- → First-Mover Partnerships: Early local custody and banking ties win share

> Build banking relationships and custody frameworks in Taipei before 2027 rules lock in.

Thank You

Building for Growth: Talent and Capabilities for a Digital Asset Ecosystem in Taiwan

高一誠 Kao, Yi-Cheng

President, TABF

November 19, 2026 @ TABF - Z/YEN Webinar



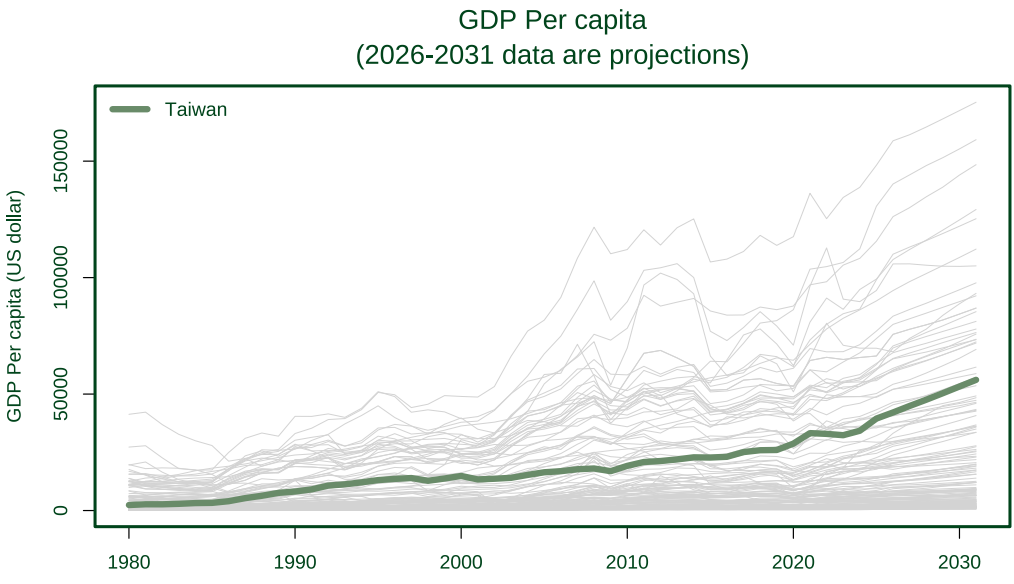
Outline

Output Growth

Stable Inflation

Current Account

Digital Asset


GDP Per capita
(2026-2031 data are projections)
Taiwan
GDP Per capita (US dollar)
0
50000
100000
150000
1980
1990
2000
2010
2020
2030
Source: WEO (IMF, 2026)

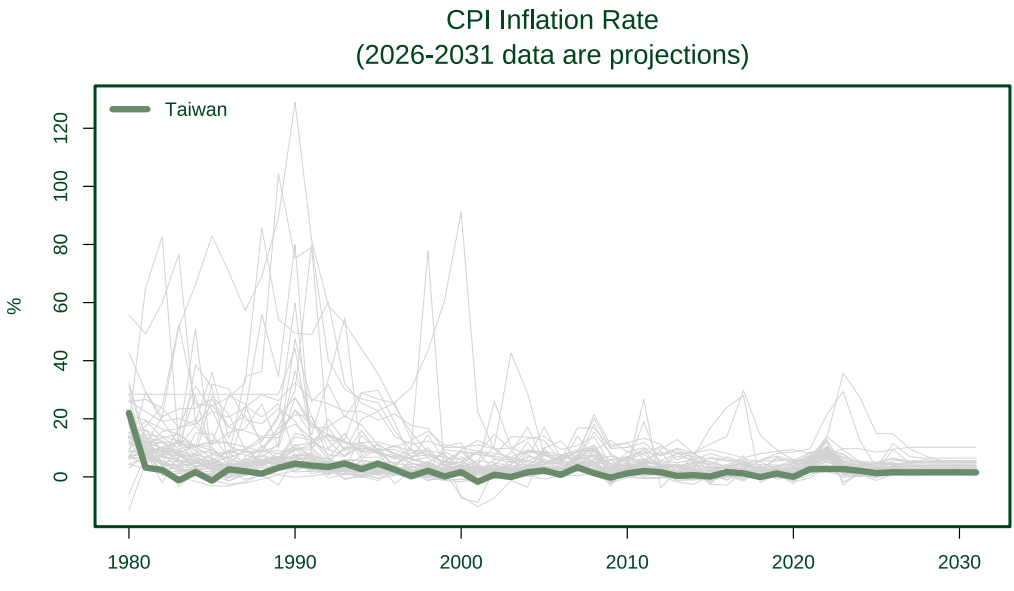
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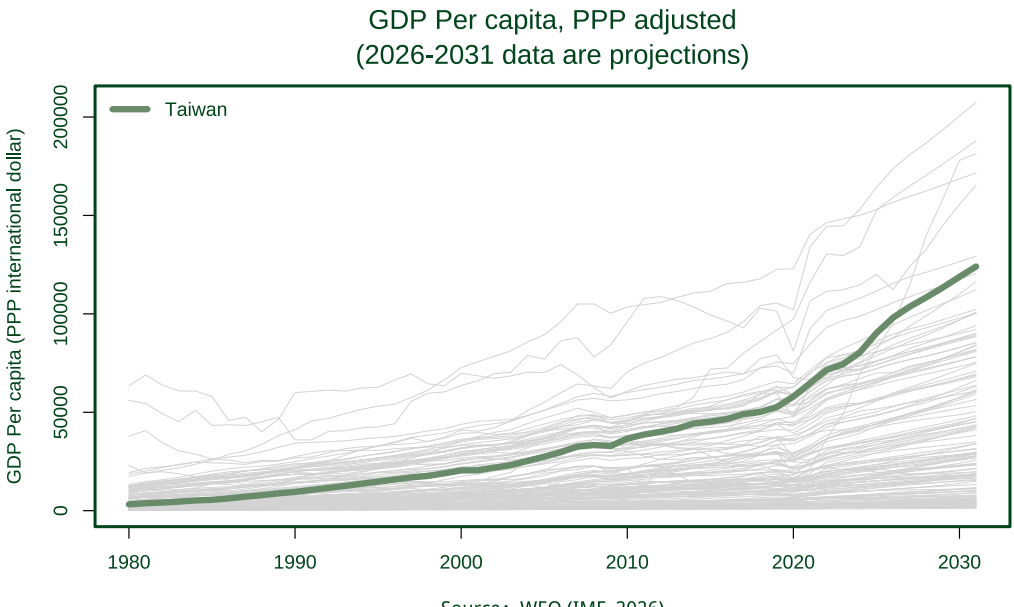
Output Growth

Stable Inflation

Current Account

Digital Asset


CPI Inflation Rate
(2026-2031 data are projections)
Taiwan
%
0
20
40
60
80
100
120
1980
1990
2000
2010
2020
2030
Source: WEO (IMF, 2026)


GDP Per capita, PPP adjusted
(2026-2031 data are projections)
Taiwan
GDP Per capita (PPP international dollar)
0
50000
100000
150000
200000
1980
1990
2000
2010
2020
2030
Source: WEO (IMF, 2026)

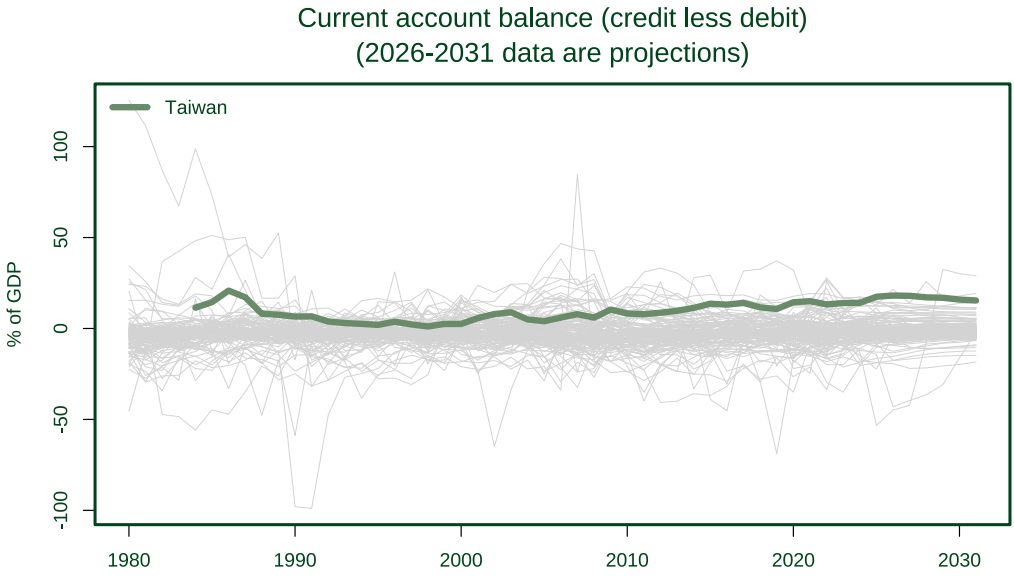
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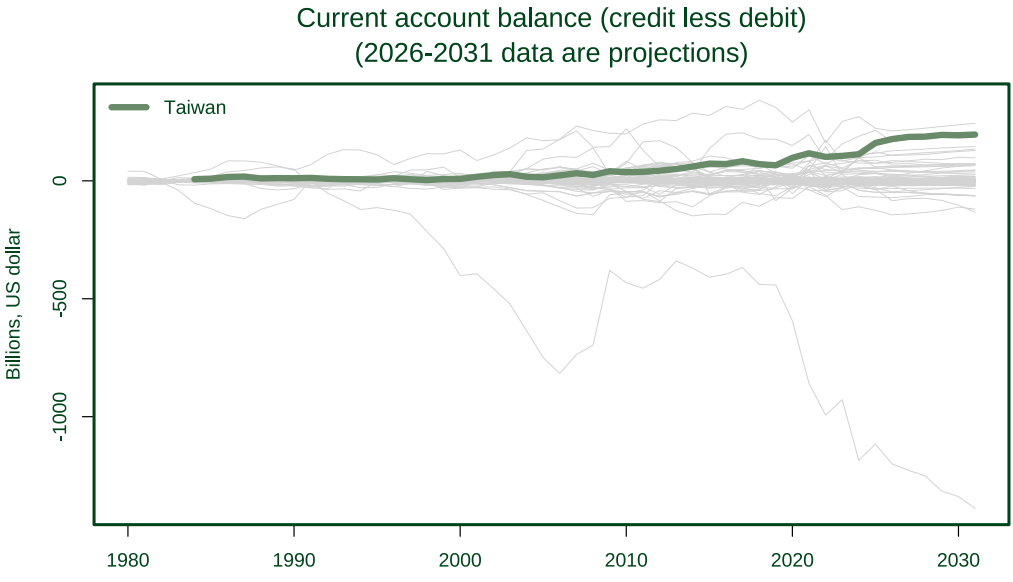
Output Growth

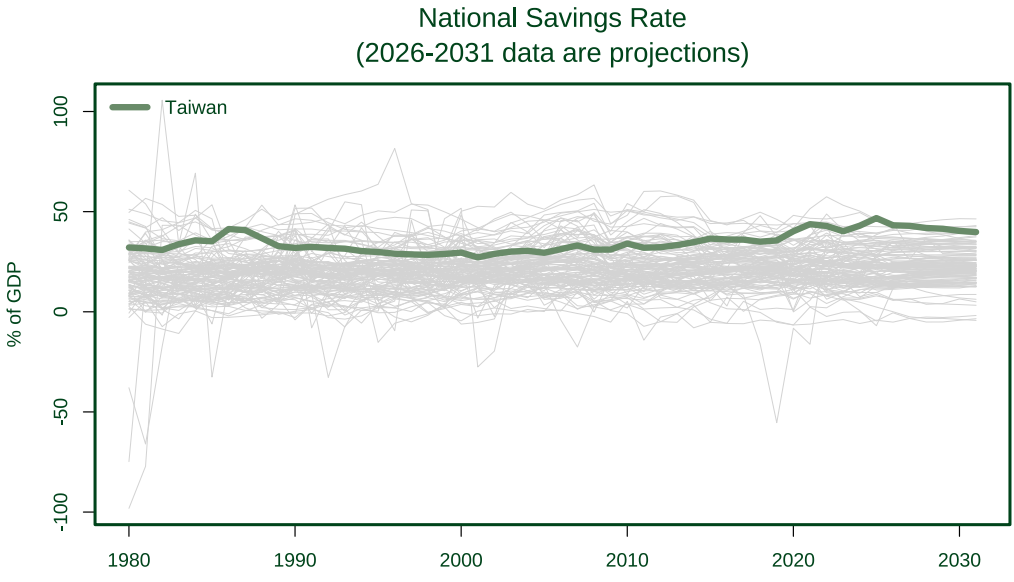
Stable Inflation

Current Account

Digital Asset


Current account balance (credit less debit)
(2026-2031 data are projections)
Taiwan
% of GDP
100
50
0
-50
-100
1980
1990
2000
2010
2020
2030
Source: WEO (IMF, 2026)


Current account balance (credit less debit)
(2026-2031 data are projections)
Taiwan
Billions, US dollar
0
-500
-1000
1980
1990
2000
2010
2020
2030
Source: WEO (IMF, 2026)


National Savings Rate
(2026-2031 data are projections)
Taiwan
% of GDP
100
50
0
-50
-100
1980
1990
2000
2010
2020
2030
Source: WEO (IMF, 2026)

Outline

Output Growth

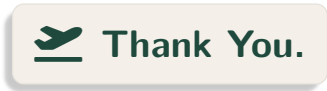
Stable Inflation

Current Account

Digital Asset

Market Opportunities

- With a fast growing economy and a stable macroeconomic environment, there are opportunities in Taiwan's digital asset market:
  - International trade
  - Wealth management
  - Securities market
- TABF plays a crucial role in:
  - Policy research
  - Training bankers
  - Issuing certification
- Talent is the most important asset in Taiwan.


Thank You.