

## 6. Fiscal Agency Functions

As banker to the central government, the Bank fulfills its responsibilities by managing the treasury deposit account (TDA), handling central government agency deposit accounts, and undertaking the issuance, transfer and registration, redemption, and interest payment of central government bonds and treasury bills.

### Managing the Treasury Deposit Account

The Bank manages the TDA on behalf of the Ministry of Finance, processing receipts and disbursements of the central government. In order to provide convenient services for government agencies and the general public, the Bank delegates the handling of treasury business to 14 financial institutions and their 366 branches, including three overseas branches located in New York, Los Angeles, and Paris. In addition, there are another 4,744 national tax collection agencies set in financial institutions. In 2022, the Bank received a total of NT\$4,636.8 billion in treasury deposits, an increase of NT\$438.9 billion or 10.46% over the previous year. Payments made on behalf of the national treasury were NT\$4,560.4 billion, increasing by NT\$376.9 billion or 9.01% from 2021. At the end of 2022, the TDA balance was NT\$144.1 billion, an increase of NT\$76.4 billion or 112.85% from the end of 2021.

### Handling Central Government Agency Deposits

Central government agencies are required to make their deposits with the Bank or other delegated banks. At the end of 2022, the balance of central government agencies' deposits with the Bank amounted to NT\$198.9 billion, an increase of NT\$14.7 billion or 7.98% over 2021. Deposits with other delegated banks were NT\$763.4 billion at the end of 2022, increasing by NT\$105.9 billion or 16.11%.

### Introducing Electronic Operations Regarding Treasury Funds

In order to improve efficiency of handling treasury funds and to reduce operational risks, the Bank and the Ministry of Finance jointly designed and introduced electronic operations regarding loan disbursement and repayment collection for the TDA and central government agency deposit accounts. By connecting the National Treasury Services Operational System with the CIFS, this mechanism, effective from July 1, 2022, allows disbursing loans and collecting repayments for the national treasury online to replace the issuing and delivering of physical checks. This mechanism not only reduces manual work and processing time but also helps enhance the efficiency of the deployment of treasury funds.

## Managing Central Government Bonds

As a fiscal agent, the Bank provides services related to the issuance, transfer and registration, redemption, and interest payment of central government bonds. The Bank also conducts the auctions of central government bonds. There are 56 domestic dealers qualified to directly participate in the auctions, including 23 banks, 18 securities companies, eight bills finance companies, six insurance companies, and Chunghwa Post.

In 2022, the Bank conducted 19 issues of central government bonds in book-entry form worth NT\$520.1 billion. Of this amount, 10-year bonds accounted for the lion's share of 38.07%, worth NT\$198.0 billion, followed by 5-year bonds, representing a share of 30.76% with an amount of NT\$160.0 billion.

In addition, the Bank paid NT\$395.0 billion in principal and NT\$80.2 billion in interest for central government bonds. At the end of 2022, the outstanding amount of central government bonds was NT\$5,799.5 billion, an increase of NT\$125.0 billion or 2.20% from the previous year end.

## Managing Treasury Bills

The Bank also handles the auctions of treasury bills. Currently, direct bidders include banks, insurance companies, securities companies, bills finance companies, and Chunghwa Post.

In 2022, the Bank conducted seven issues of book-entry treasury bills with a total amount of NT\$230.0 billion. The majority of the issuance went for 91-day bills with a value of NT\$135.0 billion, or a share of 58.70%. At the end of 2022, the outstanding amount of treasury bills was NT\$30.0 billion, a decrease of NT\$85.0 billion or 73.91% from the end of 2021.