

## 7. Fiscal Agency Functions

The CBC acts as a banker to the central government as well as to other banks. As the fiscal agent of the government, the CBC performs various services for the national treasury. These services include handling the treasury deposit account (TDA), managing central government agency deposit accounts, and undertaking the issuance, registration, redemption, and interest payment of central government bonds and treasury bills.

### Managing the Treasury Deposit Account

The CBC manages the TDA on behalf of the Ministry of Finance (MOF), processing receipts and disbursements of the central government. For the convenience of government agencies and the general public, the CBC delegates the handling of treasury transactions to 13 financial institutions and their 360 branches, including three overseas branches located in New York, Los Angeles, and Paris. In addition, there are another 4,784 tax collection agencies set in financial institutions. In 2013, the CBC received a total of NT\$3,087.4 billion in treasury deposits, a decrease of NT\$140.9 billion or 4.36 percent from 2012. Payments made on behalf of the national treasury were NT\$3,090 billion, decreasing by NT\$121.1 billion or 3.77 percent over the previous year. At the end of 2013, the TDA balance was NT\$23.3 billion, a decrease of NT\$2.4 billion or 9.34 percent from the end of 2012.

### Handling Central Government Agency Deposits

Central government agencies are required to make their deposits with the CBC or other delegated banks. However, the delegated banks are required by law to redeposit 60 percent of the deposits with the CBC, except those in interest-bearing accounts. At the end of 2013, the balance of central government agencies' deposits with the CBC amounted to NT\$124.5 billion, a decrease of NT\$17.2 billion or 12.14 percent over 2012. Deposits with other delegated banks were NT\$424.8 billion at the end of 2013, decreasing by NT\$21.2 billion or 4.75 percent. Among them, redeposits with the CBC registered NT\$14.4 billion, increasing by NT\$3.9 billion or 37.14 percent from the previous year end.

### Managing Central Government Bonds

As a fiscal agent, the CBC provides services related to the issuance, registration, transfer, redemption, and interest payment of central government bonds. The CBC also conducts the auctions of central government bonds. There are 63 domestic dealers qualified to directly participate in the auctions, including 27 banks, 22 securities companies, eight bills finance companies, five insurance companies, and Chunghwa Post.

In 2013, the CBC handled 19 issues of central government bonds in book-entry form worth NT\$641.9 billion and paid NT\$350 billion in principal and NT\$115.2 billion in interest for central government bonds. At the end of 2013, the outstanding amount of central government bonds was NT\$5,068.2 billion, an increase of NT\$291.9 billion or 6.11 percent from the previous year end.

### **Managing Treasury Bills**

The CBC also conducts the auctions of treasury bills, which are issued at a discount. Currently, direct bidders include banks, insurance companies, securities companies, bills finance companies, and Chunghwa Post.

In 2013, the CBC handled 13 issues of book-entry treasury bills with a total amount of NT\$324.6 billion. At the end of 2013, the outstanding amount of treasury bills was NT\$214.6 billion, an increase of NT\$19.6 billion or 10.03 percent from the previous year end.

### **Improving Operational Efficiency**

In response to the needs of issuing multiple central government bonds or treasury bills with different maturities for the MOF on the same day, the CBC expanded the functions of the Central Government Securities Settlement System, and the updated system went online from December 9, 2013.