

7. Fiscal Agency Functions

The CBC acts as a banker to the central government as well as to financial institutions. As the fiscal agent of the government, the CBC provides various services for the national treasury, including handling the treasury deposit account (TDA), managing 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 CBC manages the TDA on behalf of the Ministry of Finance (MOF), processing receipts and disbursements of the central government. In order to provide convenient services for government agencies and taxpayers, the CBC delegates the handling of treasury business to 14 financial institutions and their 359 branches, including three overseas branches located in New York, Los Angeles, and Paris. In addition, there are another 4,728 tax collection agencies set in financial institutions. In 2016, the CBC received a total of NT\$3,339.2 billion in treasury deposits, increasing by NT\$74.9 billion or 2.29% from 2015. Payments made on behalf of the national treasury were NT\$3,333.5 billion, an increase of NT\$80.8 billion or 2.48% over the previous year. At the end of 2016, the TDA balance was NT\$27.3 billion, an increase of NT\$5.6 billion or 25.81% from the end of 2015.

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% of the deposits with the CBC, except those in interest-bearing accounts. At the end of 2016, the balance of central government agencies' deposits with the CBC amounted to NT\$173.4 billion, an increase of NT\$3.9 billion or 2.30% over the previous year. Deposits with other delegated banks were NT\$526.3 billion at the end of 2016, increasing by NT\$68.6 billion or 14.99%. Among them, redeposits with the CBC registered NT\$11.0 billion, decreasing by NT\$0.4 billion or 3.51% from the previous year end.

Managing Central Government Bonds

As a fiscal agent, the CBC performs services related to the issuance, transfer and registration, redemption, and interest payment of central government bonds. The CBC also conducts the auctions of central government bonds. There are 57 domestic dealers qualified to directly participate in the auctions, including 24 banks, 19 securities companies, eight bills finance companies, five insurance companies, and Chunghwa Post.

In 2016, the CBC handled 19 issues of central government bonds in book-entry form worth

NT\$563.5 billion and paid NT\$500 billion in principal and NT\$113.9 billion in interest for central government bonds. At the end of 2016, the outstanding amount of central government bonds was NT\$5,542.3 billion, an increase of NT\$63.5 billion or 1.16% from the end of 2015.

Managing Treasury Bills

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

In 2016, the CBC handled eight issues of book-entry treasury bills with a total amount of NT\$217.3 billion. At the end of 2016, the outstanding amount of treasury bills was NT\$89.95 billion, slightly decreasing by NT\$0.05 billion or 0.06% from the previous year end.