

6. Fiscal Agency Functions

The CBC, as banker to the central government, 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 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 360 branches, including three overseas branches located in New York, Los Angeles, and Paris. In addition, there are another 4,734 tax collection agencies set in financial institutions. In 2017, the CBC received a total of NT\$3,215.9 billion in treasury deposits, a decrease of NT\$123.3 billion or 3.69% over the previous year. Payments made on behalf of the national treasury were NT\$3,223.5 billion, falling by NT\$111.0 billion or 3.30% from 2016. At the end of 2017, the TDA balance was NT\$19.8 billion, a decline of NT\$7.5 billion or 27.47% from the previous year end.

Amid a rising wave of financial digitalization, the CBC established an online national treasury fee payment mechanism, which was launched in June 2017. This service enables the public to make electronic payments of charges and fees to the national treasury on a 24/7 basis.

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 2017, the balance of central government agencies' deposits with the CBC amounted to NT\$156.8 billion, decreasing by NT\$16.6 billion or 9.57% over 2016. Deposits with other delegated banks were NT\$534.7 billion at the end of 2017, expanding by NT\$8.4 billion or 1.60%. Among them, redeposits with the CBC registered NT\$8.6 billion, contracting by NT\$2.4 billion or 21.82% from the end of 2016.

Managing Central Government Bonds

As a fiscal agent, the CBC provides 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 2017, the CBC conducted 16 issues of central government bonds in book-entry form worth NT\$400.0 billion and paid NT\$347.5 billion in principal and NT\$107.3 billion in interest for central government bonds. At the end of 2017, the outstanding amount of central government bonds was NT\$5,594.8 billion, slightly increasing by NT\$52.5 billion or 0.95% from the previous year end.

Managing Treasury Bills

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

In 2017, the CBC conducted eight issues of book-entry treasury bills with a total amount of NT\$220.0 billion. At the end of 2017, the outstanding amount of treasury bills was NT\$25.0 billion, decreasing by NT\$65.0 billion or 72.21% from the previous year end.