

6. Fiscal Agency Functions

The Bank, as the fiscal agent of the government, provides 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 Bank manages the TDA on behalf of the Ministry of Finance (MOF), processing receipts and disbursements of the central government. In order to offer convenient services for government agencies and the general public, the Bank delegates the handling of treasury business to 14 financial institutions and their 363 branches, including three overseas branches located in New York, Los Angeles, and Paris. In addition, there are another 4,731 national tax collection agencies set in financial institutions. In 2018, the Bank received a total of NT\$3,251.1 billion in treasury deposits, increasing by NT\$35.2 billion or 1.09% from 2017. Payments made on behalf of the national treasury were NT\$3,251.4 billion, an increase of NT\$27.9 billion or 0.87% over the previous year. At the end of 2018, the TDA balance was NT\$19.5 billion, a decline of NT\$0.3 billion or 1.52% from the end of 2017.

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 2018, the balance of central government agencies' deposits with the Bank amounted to NT\$170.9 billion, an increase of NT\$14.1 billion or 8.99% over the previous year. Deposits with other delegated banks were NT\$561.7 billion at the end of 2018, increasing by NT\$27.0 billion or 5.05%.

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, 19 securities companies, eight bills finance companies, five insurance companies, and Chunghwa Post.

In 2018, the Bank conducted 16 issues of central government bonds in book-entry form worth NT\$347.3 billion. Of this amount, 10-year bonds accounted for the lion's share of 41.75%, with NT\$145.0 billion, followed by 5-year bonds, 25.91% with an amount of NT\$90.0 billion.

In addition, the Bank paid NT\$383.5 billion in principal and NT\$106.2 billion in interest for central government bonds. At the end of 2018, the outstanding amount of central government bonds was NT\$5,558.6 billion, slightly decreasing by NT\$36.2 billion or 0.65% from the end of 2017.

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 2018, the Bank conducted five issues of book-entry treasury bills with a total amount of NT\$160.0 billion. The majority of the issuance went for 182-day bills with NT\$60.0 billion, or a share of 37.5%. At the end of 2018, the outstanding amount of treasury bills was NT\$30.0 billion, an increase of NT\$5.0 billion or 20% from the previous year end.