

FSC's 2017 Policy Achievements

Major Policy/Measure	Progress/Results
Promoting Fintech Development	<ul style="list-style-type: none"> ● The Legislative Yuan passed the Financial Technology Development and Innovative Experimentation Act on a third reading on Dec 29, 2017. ● The Taiwan Financial Services Roundtable established the Fintech Development Fund and it has already nurtured 40 Fintech startup teams. ● Apple Pay, Samsung Pay and Android Pay successively began operating in Taiwan in 2017. ● Smart phone credit card, mobile debit card, QR Code mobile payment and other mobile payment service transaction amount was NT\$15.1 billion from Jan. to Nov. ● The e-payment doubling 5-year plan aims to increase the e-payment rate in Taiwan from the 26% of 2015 to 52% by 2020; the plan is actively promoted by a dedicated work group. As of Q3 2017, the e-payment rate had risen to 31.84%. ● Banks and online loan platform operators are encouraged to cooperate in promoting P2P business and jointly develop innovative business models. ● Measures to allow insurance firms to accept insurance applications online were completed; 28 insurance firms have been approved to conduct this business and the number of applications received totals around 747,000.
Promoting Green Finance	<ul style="list-style-type: none"> ● Financial business operators are encouraged to sign or comply with the Equator Principles and include the principles in bank credit-granting criteria. ● The Program to Encourage Domestic Banks to give Loans to New Key Industries is being implemented to assist the green energy industry obtain bank finance. Under this program NT\$1.687 trillion has been loaned to the green energy technology industry. ● Credit granted to a single juristic person by a bank that is guaranteed by a credit guarantee institution set up by a foreign government does not have to be included in total unsecured outstanding loan amount as required in Article 33-3 of the Banking Act, however, should still be included in total outstanding loan amount. ● If credit is granted by the Taiwan branch of a foreign bank to a renewable energy power generator as defined by the government's renewable energy policy, the requirement of annual revenue of NT\$35 billion for a single juristic person does not apply. ● On Dec. 29, 2017 amendments increasing the limit for New Taiwan Dollar credit granted by a foreign bank to a single customer and branch loan total balance and net value multiple were previewed. ● Investment of NT\$535 million of insurance industry funds has been approved in five renewable energy power plants; and insurance firms are allowed to invest in national level investment companies and domestic private equity funds for use in investment in the green energy industry. ● Investment trust business subsidiaries are allowed to engage in private equity fund business; the first application has been approved (Cathay Securities Investment Trust), totaling NT\$10 billion and investment mainly will be in green energy technology and renewable energy related industries. ● The green bond market's establishment has been completed. At present, nine green bonds are listed (issuers include Taiwan Power Company, CPC Corp., domestic banks and foreign banks); issue scale is around NT\$ 20.6 billion and is growing. ● Compilation and issue of the Taiwan Sustainability Index by the Issue Taiwan Index was supervised.

Supporting the New Southbound Policy-Finance Support Work Plan	<ul style="list-style-type: none"> ● Finance support includes assisting enterprises obtain the funds need for development of operations and assisting domestic banks increase their presence and other measures. The financial industry has increased the presence in New Southbound policy target countries by 17 offices/branches; domestic banks have a total of 208 offices/branches in the region. ● High-quality overseas Taiwanese businesses are being actively guided to return to list in Taiwan. In 2017, 10 primary exchange listed (or OTC listed) companies were listed, five of which mainly operate in New Southbound policy target countries. ● Financial industry investment and financial derivatives have been included in the scope of the Taiwan-Philippines investment protection agreement.
Strengthening Corporate Governance and Corporate Social Responsibility	<ul style="list-style-type: none"> ● To enhance the function of independent directors, for important proposals, all independent directors should attend the board meeting; for ordinary proposals, at least one independent director should attend; when an independent director has served three terms and is put forward again a reason must be given. ● Implementation of e-voting expanded; in 2017, 1,217 TWSE and TPEX-listed and emerging stock board companies provided e-voting, up by 613 from 2016. From 2018, all the aforementioned companies will be required to provide e-voting.
Sound Development of the Capital Markets	<ul style="list-style-type: none"> ● Stock day trading transaction tax was lowered to 1.5‰ since implementation, day trading and overall market trading volume have both increased. ● Fixed period and fixed amount purchase of individual stock and ETF promoted to increase the convenience of small amount investment; to date, over 41,000 investors have taken part, with total accumulated investment of over NT\$980 million. ● An after-hour trading system has been established to provide traders with a hedging channel to respond to changes in international markets instantly. After-hour average daily trading volume is 93,153 lots and accounts for around 10% of ordinary trade.
Promoting Financial Product Diversity and Investment Convenience	<ul style="list-style-type: none"> ● Investment trust and futures trust firms have designed various new bonds ETF and futures ETF products. ● To encourage insurance companies to develop health management insurance products with spillover effect, an incentive mechanism has been set and related product review regulations relaxed. ● Taiwan Depository & Clearing Corporation smart phone passbook has gone online.
Deregulation to Increase Financial Industry Competitiveness	<ul style="list-style-type: none"> ● Banks allowed to invest in venture capital businesses, the shareholding in a single one can be up to 100%. ● Revised regulation on accrual of capital adequacy by banks implemented from Dec. 31, 2017. ● Banks allowed to share banking operations personnel and premises when concurrently engaging in securities business. ● Investment cap on investment by credit cooperatives in investment trust funds, listed companies and single financial holding companies raised. ● Restrictions on RMB traditional insurance business eased. ● When privately raised real estate trust funds invest in public construction, investment in developmental real estate or real estate related rights is not subject to the limit of 40% of the fund's trust property.
Sound Development of the Insurance Market	<ul style="list-style-type: none"> ● Insurance firms are encouraged to design protection products and enhance management according to insurance product sales experience. ● The amended 2017 insurance industry own capital and risk based capital calculation formula was issued, to reasonably reflect insurance industry operating risk.

	<ul style="list-style-type: none"> ● The insurance product after sales management mechanism has been strengthened to guide insurance firms to improve product structure.
Enhancing Financial Industry Money Laundering Prevention Work	<ul style="list-style-type: none"> ● In line with the Money Laundering Control Act, the Regulations Governing Anti-Money Laundering of Financial Institutions, Guidelines for AML and CTF Internal Control of Financial Institutions and other regulations have been amended to enhance Taiwan's AML mechanism. ● In response to the APG 2018 third round assessment, financial holding company and bank compliance and AML/CFT system response measures have been strengthened, and CPA brought within the money laundering prevention system. ● AML/CFT inspection manuals have been written for eight financial industries.
Strengthening Financial Supervision	<ul style="list-style-type: none"> ● Banks and financial holding companies required to establish a supervision and management mechanism for their financial leasing subsidiaries and sub-subsidiaries. ● The Financial Information Sharing and Analysis Center (F-ISAC) was established in Dec. 2017 and opened on the 22nd of that month, bring banking, securities and futures and insurance industries into the joint defense system, increasing financial market response and protection ability. ● Financial institutions are encouraged to report the information security execution situation to the board of directors annually, establish a dedicated information security unit and manager and information security is included in the matters considered when financial business operators apply to conduct business, deposit insurance premium accrual factors and strengthen information security inspections. ● To strengthen insurance industry investment risk control and asset/liability management, a regulation stipulating the time period in which investment by insurance firms in international board bonds cannot be redeemed was added. ● 17 special inspections of financial industry AML/CTF operations, financial holding company and insurance company compliance, domestic banks, insurance companies, securities companies and digital finance completed. ● In 2017, adoption of risk-oriented internal auditing systems by three banks was approved.
Strengthening Consumer Protection	<ul style="list-style-type: none"> ● Financial consumer protection regulations have been revised; with respect to requirements for professional juristic persons, adding the requirements that the person authorized by a juristic person to handle transactions must possess professional financial knowledge, transaction experience, and juristic persons must agree to become professional investors. ● Bank KYC enhanced, client and product classification implemented and bank customer credit risk control and structural product sales management improved. ● Automobile liability insurance D.U.I surcharge increased from NT\$2,100 to NT\$3,100. ● To guide telecom business operators to operate insurance business, original product repair contracts converted to mobile device insurance and guidance provided to telecom store staff to assist them to obtain insurance sales person qualifications.
Implementing Financial Inclusion	<ul style="list-style-type: none"> ● To encourage financial institutions to provide services in remote townships, the regulations have been amended to increase the number of applications that financial institutions can make to twice a year, and with no limit on the number of applying financial institutions and no restriction on time point for applying to set up a branch in a remote area.
Promoting International Supervisory	<ul style="list-style-type: none"> ● In 2017, supervisory cooperation documents were signed with financial supervisory authorities in Washington State in the US, Poland, the Philippines and India.

Cooperation	
Promoting Financial Data Opening and Big Data Analytics Application	<ul style="list-style-type: none"> ● In 2017, 1400 datasets were opened, and they have been downloaded over 394,000 times. Of the datasets, securities and futures datasets account for 594, and they have been viewed over 1.16 million times, higher than any other type of dataset in Taiwan. ● In 2017, in all eight big data application plans were implemented, providing reference for financial area system warning, trading security, investment, consumers behavior and market development.
Total Concrete Benefits	<ul style="list-style-type: none"> ● The financial industry overall made profits of NT\$523.3 billion Jan.-Nov., 2017, up by NT\$34.9 billion or 7.15% on the NT\$488.4 billion for the full year 2016.