

2024 Evaluation Results of Individual Projects Controlled by the Financial Supervisory Commission (FSC)

#	Authority (Department)	Project Title	Evaluation Opinions	Grade
1	FSC (Banking Bureau, BB)	Provide diverse financial services to support economic development.	<p>1. Project management: The BB submitted quarterly progress reports regarding project execution on schedule and completed all proposed tasks on time. It also properly managed relevant administrative operations.</p> <p>2. Performance: All targets were reached with good performance. Major achievements were as follows: (1) With regard to small and medium enterprises (SMEs) financing, the outstanding loans extended by domestic banks as of the end of 2024 amounted to NT\$10,338 billion, up by NT\$571.6 billion compared to the end of 2023. (2) With regard to financing for the Six Core Strategic Industries, the outstanding loans extended by domestic banks as of the end of 2024 amounted to NT\$7,897.5 billion, up by NT\$662.6 billion compared to the end of 2023. (3) The average NPL ratios of loans extended by domestic banks to SMEs and the Six Core Strategic Industries were both lower than 2.5%. One-stop finance windows have been expanded to over 3,000 locations, providing financing information in a convenient fashion to SMEs and the Six Core Strategic Industries.</p> <p>3. Recommendations:</p>	Outstand ing

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			<p>(1) Performance in the implementation of the Program to Encourage Lending by Domestic Banks to Small and Medium Enterprises and the Program to Encourage Lending by Domestic Banks to Enterprises in the Six Core Strategic Industries was affected by the actual capital needs of enterprises and the actual lending decisions of banks. To foster a favorable financing environment and ensure prudent credit risk, the BB will continue to require all banks to provide necessary operating funds to SMEs as well as industry financing to enterprises in the Six Core Strategic Industries.</p> <p>(2) To provide operating funds to SMEs and key innovative industries, thus supporting economic development, the BB will continue to encourage domestic banks to extend credit to such enterprises while ensuring that appropriate risk management is observed. In addition, the BB will also continuously monitor key indicators, including the non-performing loan ratio and other indicators related to the quality of bank loans.</p>	
2	FSC (Securities and Futures Bureau, SFB)	Construct a diversified fund-raising environment and expand the scale of capital markets.	<p>1. Project management: The SFB submitted quarterly progress project execution on schedule and completed all proposed tasks on time. It also properly managed relevant administrative operations.</p> <p>2. Performance: All targets were reached with</p>	Outstanding

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			<p>good performance. Major achievements were as follows:</p> <p>(1)The number of new applicant companies for listing on the Go Incubation Board for Startup and Acceleration Firms (GISA) was 45.</p> <p>(2)The Taiwan Stock Exchange (TWSE) and Taipei Exchange (TPEX) carried out 363 on-site visits and telephone interviews of domestic and foreign companies in 2023.</p> <p>(3)107 companies listed on the TWSE or TPEX with paid-in capital of at least NT\$10 billion and finance/insurance enterprises had independent directors make up at least one-third of their total number of directors.</p> <p>(4) Companies listed on the GISA had raised NT\$40.67 million in capital.</p> <p>(5)TWSE and TPEX altogether amended six listing rules to enhance the listing environment.</p> <p>3. Recommendations:</p> <p>To expand Taiwan's stock market, the TWSE and TPEX have, as of October 2024, integrated the resources of intermediary organizations, government ministries, local governments, and innovation clusters to establish the Taiwan Capital Market Service Team. This team provides complete, one-stop advisory services that allow enterprises to gain a comprehensive understanding of the unique features and advantages of different segments</p>	

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			of the capital market. The SFB should continue to work with intermediaries such as accountants and underwriters to help refer issuing companies that meet conditions; understand the difficulties companies seeking to enter the capital market are facing; and provide concrete suggestions. It should also continue to discuss revisions to listing rules so as to optimize mechanisms for listing and create an environment conducive to fund-raising.	
3	FSC (Insurance Bureau, IB)	Strengthened insurance enterprises' solvency and risk management.	<p>1. Project management: The IB submitted quarterly progress reports regarding project execution on schedule and completed all proposed tasks on time. Apart from a slight revision to the implementation, all other tasks have been completed as planned. It also properly managed relevant administrative operations.</p> <p>2. Performance: All targets were reached with good performance. Major achievements were as follows: (1) Held three seminars ("International Conference on Assets and Liabilities Management of insurers for the implementation of ICS and IFRS17," "Strengthening Compliance with Insurance Laws Seminar 2024," and "Insurance Industry Risk Trends Forum") that were attended by 667 people. It also recorded Article 3-1 of the "Operational Standards for Insurance Industry Loan</p>	Outstanding

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			<p>Processing, Credit Investigation, Loan Approval, and Reviews” as well as Article 8-1 of the “Self-management Regulations for Asset Management by the Insurance Industry.”</p> <p>(2)Continued to discuss revising six regulations related to solvency for the insurance industry.</p> <p>(3)Held public hearings for the “Third Phase of Localization and Transitional Measures for the Next-generation Solvency System for the Insurance Industry, as well as Differentiated Management Measures” and the “2025 Actuarial Formula for the Automatic Adjustment of Interest Rates on New Contract Liability Reserves for Life Insurance Policies Issued in Various Currencies”; and on April 16 and December 31 issued press releases on the third and fourth phases of localization and transitional measures for the next-generation solvency system.</p> <p>3. Recommendations:</p> <p>To enhance the operation of insurance enterprises and stabilize the insurance market, the IB is advised to continue to monitor international insurance supervision developments and revise relevant regulations as necessary. The FSC has continued to issue four-phase supporting measures and will keep observing how major countries implement the ICS. It will also engage in work to revise regulations concerning capital</p>	

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			adequacy in the insurance industry and include language addressing adaptation measures; it will also continue to strengthen the solvency and risk management capabilities of insurance enterprises through various policy measures and align our regulatory system with international standards.	
4	FSC (Financial Examination Bureau, FEB)	Obtained better results from financial examinations and carried out more rigorous targeted examinations in line with financial market conditions.	<p>1. Project management: The FEB submitted quarterly progress reports regarding project execution on schedule and completed all proposed tasks on time. It also properly managed relevant administrative operations.</p> <p>2. Performance: All targets were reached with good performance. Major achievements were as follows: (1) Completed 19 targeted examinations. (2) Completed a total of 361 examinations (including full-scope, commissioned, and targeted examinations). (3) Held 11 coordination meetings with financial institutions and the other FSC bureaus. (4) 100% of examined institutions indicated in post-examination surveys that they were "satisfied". (5) Proposed 11 supervisory recommendations to the other FSC bureaus after analyzing results of the targeted examinations.</p> <p>3. Recommendations:</p>	Outstanding

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			Financial examinations serve as an important line of defense in identifying and rectifying deficiencies early. Therefore, the FEB is advised to continue hold targeted examinations to understand the implementation of key aspects of supervision by financial institutions, and to optimize digital inspection-related systems and tools, enhance the utilization of supervisory technology, strengthen digital inspections and risk management, and plan ongoing training courses on supervisory technology. These efforts aim to enhance the information expertise of inspectors, effectively urging financial institutions to strengthen their cybersecurity measures.	
5	FSC (Planning Department, PD)	Green Finance Action Plan 3.0	<p>1. Project management: The PD submitted quarterly progress reports regarding project execution on schedule and completed all proposed tasks on time. Apart from a slight revision to the implementation, all other tasks have been completed as planned. It also managed relevant administrative operations appropriately.</p> <p>2. Performance: All targets were met with satisfactory results. Major achievements were as follows: (1) Conducted the Sustainable Finance Evaluation, held four evaluation committee meetings, and announced the second-round results on December 31, 2024.</p>	Outstand ing

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			<p>(2) Conducted the project “Recommendations of Nature-related Financial Disclosure”: Collected relevant databases and proposed recommendations on corporate disclosure. Completed the final report review on November 8, 2024.</p> <p>(3) Conducted the project “Analysis of International Standards on Preventing Greenwashing”: Collected and analyzed relevant international standards, solicited expert opinions from industry, government, and academia, and proposed recommendations for domestic financial supervision mechanism. Completed the final report review on September 26, 2024.</p> <p>(4) Held three seminars on Sustainable Finance Evaluation.</p> <p>3. Recommendations:</p> <p>Continue implementing and improving measures that encourage information disclosure to build a sustainable financial ecosystem and support for green an sustainable industries, ultimately achieving Taiwan’s goal of net-zero carbon emissions by 2050. Regarding sustainable finance evaluation, to ensure reviewees have sufficient time to reach the indicators, and to help enterprises comply with international standards and regulatory policies, the authority may make the indicators public earlier and monitor international ESG trends as well as</p>	

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			domestic implementation, and periodically adjust the assessment structure and indicators.	