

## **Inaugural Remarks by Dr. Tien-Mu Huang, Chairperson of the Financial Supervisory Commission**

20 May, 2020

Minister-without-Portfolio Lo, Chairperson Koo, leading lights from the financial industry, members of the media, and my colleagues from the FSC, good afternoon!

Let me start by expressing my deepest respect for Chairperson Koo and his great achievement over the past two years and more, leading everyone at the FSC to ensure strong corporate governance, develop FinTech, enhance financial consumer safeguards, and maintain financial market stability. The financial policies implemented during Chairperson Koo's time here will continue to be carried out as we move forward.

Chairperson Koo set the new paradigm and high standards for the FSC, and those are very challenging to his successor. In this regard, I hope Chairperson Koo will continuously provide me and this commission with his support and guidance.

Financial supervision should be exercised in an independent, fair, and impartial manner. I recall the philosophy that guided Chief Editor Chang Chi-luan (張季鸞) when he run the newspaper Ta Kung Pao (大公報) in the 1930s-- no political partisanship, no quid pro quo, no pursuit of private gain, and no blind obedience. The "Four No's" will be the motto that guides me in exercising financial supervision. That is to say, all financial supervisory policies will be based on the national interest.

Financial institutions' funding sources are from the public,

and they are therefore called upon to maintain ethical business practices, serve the public interest, show concern for society, and provide strong support for industrial development. And so I urge the leading lights of our financial industry to join me together to actively support the government's economic relief and stimulus policies, help rejuvenate our economy, and facilitate our financial industry's growth, especially in the midst of COVID-19 pandemic.

Financial supervision has been both my career and my calling in life. I have a clear idea of what a financial institution should be like. It should care about society, have ideals, and serve people with empathy. It should try to reach four objectives: be resilient, be innovative, develop sustainable development, and carry out financial inclusion. The four objectives are further elaborated:

First, enhancing their resilience. Financial institutions should ensure their capital adequacy and sound financial and business operations, backing up by ethical corporate culture and practices. They must have good risk management in place to enhance the resilience of financial system.

Second, promoting financial innovation. The arrival of the digital age means that financial institutions should see financial innovation as the key to maintain competitive edge. The FSC will strike a proper balance between the competing needs for innovation and risk prevention. We will promote responsible innovation and elevate the new value of our financial industry.

Third, developing sustainable finance. To be in line with the

international trend toward the pursuit of sustainable development, financial institutions should fulfill their corporate social responsibility, seek environmental sustainability, develop green finance and make their best offer to ensure that the economy, the environment, and society all emerge as winners.

Fourth, promoting financial inclusion. Financial services should be able to meet the needs of all types of enterprises and individuals. To do that, financial institutions must provide a diverse range of financial products that are both convenient and widely accessible.

In order to effectively achieve the objectives outlined above, I share with you a few ideas extracted from my observation of daily work:

First, in the area of devising and implementing financial supervisory policies, except for short-term supervisory needs and objectives, we should also have long-term plans and overarching vision. This applies not just to supervisors, but also to financial institutions.

Second, our supervisory regulations have to be kept in line with international standards and practices. When we introduce them, we must give due consideration to the current conditions of domestic industrial development, and move ahead gradually.

And third, financial supervision should embrace the principle of proportionality. In that, we consider the risk profiles of different institutions, products, and services, and evaluate and adopt proper regulatory measures and degree of rigor accordingly.

Today I'm taking over the heavy responsibility as the FSC chairperson. In this position, I will pursue the same courage and selflessness that John F. Kennedy wrote about in *Profiles in Courage*. I will lead all my colleagues in the FSC, with professionalism, wisdom, and determination, to meet the challenges that lie ahead us.

In closing, I would like to thank all of you for taking time out of your busy schedules to be here. I wish you the best of good health and success in all your endeavors.