



Key Work Focuses in 2021

	Q1	Q2	Q3	Q4
Capital Market Roadmap	<ul style="list-style-type: none">• Allow FINIs & FIDIs to invest in ETNs.• Add more cases to the website of the Securities and Futures Investors Protection Center (SFIPC) in line with amendments to "Securities Investor and Futures Trader Protection Act."	<ul style="list-style-type: none">• Implement market maker system.• Propose to amend provisions of the "Securities Investment Trust and Consulting Act" to allow REITs to be issued under fund structure, and will send the draft to the Executive Yuan for review.• Include single stock futures among products subject to the dynamic price banding mechanism.• Provide MOF with tax expenditure reports and suggest that the MOF extend tax cut on stock day trading.• Allow securities firms to provide other-interest-oriented stock trust services.• Relax scope of financial products and services that securities investment trust and consulting enterprises can offer to high-asset customers.	<ul style="list-style-type: none">• Set up retirement planning platform.• Launch the Taiwan Innovation Board & Pioneer Stock Board.• Establish fund monitoring information platform.• Allow leverage transaction merchants to offer foreign-equity CFDs to retail clients.	<ul style="list-style-type: none">• Study shelf registration for issuance of new shares.• Allow securities firms to lend in foreign currencies for brokerage orders of foreign securities.• Amend current regulations to loosen restrictions on automated re-balancing transactions.• Set up e-voting platform for beneficiaries of unlisted funds.• Allow FCMs and their subsidiaries to engage in warehouse receipt SWAPs, hedging, and other related businesses on the London Metal Exchange (LME).• Evaluate whether to allow foreign investors to do business as leverage transaction merchants.• Study the feasibility of shortening matching time for intraday trading in odd lot stocks.



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Wealth Management and Trust 2.0	<ul style="list-style-type: none">• Banks launch wealth management business for high-asset customers.• Ease restrictions on the marketing and promotion of trust businesses.	<ul style="list-style-type: none">• Promote the professional certification scheme for "Financial Advisors for Seniors" and "Family Trust Advisors."• Enhance the implementation of trust mechanisms for pre-sale houses.	<ul style="list-style-type: none">• Amend the Principles for Review and Adoption of Remuneration Mechanisms of Trust Enterprises.	



Key Work Focuses in 2021

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<p>Green Finance 2.0 and Corporate Governance 3.0</p>	<ul style="list-style-type: none"> • Draft Principles for Responsible Banking and other banking industry measures that align with international norms. • Strengthen regulations on the evaluation of shareholder services and announce the e-voting results ahead of schedule. • Lower the daily maximum limit for shareholder meetings held by TWSE- and TPEX-listed companies from 100 to 90. • Provide contact information of international voting consultants on the TDCC's IR Platform, and conduct seminars. 	<ul style="list-style-type: none"> • Design and establish the Sustainable Bond Market. • Devise a method for requiring financial institutions to disclose climate-related information in accordance with TCFD recommendations. • Require listed companies to publish unaudited annual financial information and move up the filing deadline for publishing annual financial reports. 	<ul style="list-style-type: none"> • Expand the range of companies subject to mandatory appointment of corporate governance officers. • Require emerging stock companies to acquire liability insurance for directors and supervisors. • Hold the Insurance Company Corporate Governance Seminar, and the 9th Taiwan Insurance Excellent Performance Award. 	<ul style="list-style-type: none"> • Expand the range of listed companies required to prepare a Sustainability Report (SR) and obtain third-party verification of the SR, and complete the study on SR disclosures under the TCFD and SASB. • Complete the commissioned research project on the scope of sustainable finance. • Issue audit quality indicators (AQIs). • Enhance platform for integration of CSR reports and ESG information. • Amend the Annual Report rules to require disclosure of the diversity policy of the board of directors, and of the independence of independent directors, and shorten the deadline for filing shareholders' meeting agenda handbooks and annual reports. • Amend the "CG evaluation indicators" to encourage listed companies to ensure that independent directors make up no less than one third of the directors, and to ensure also that 50% or more of the independent directors serve no more than three consecutive terms.



Key Work Focuses in 2021

	Q1	Q2	Q3	Q4
Financial Resilience		<ul style="list-style-type: none">• Release the results of stress tests carried out by banks/insurers.• Require banks to use LTV approach for calculating capital charges for real estate exposures.	<ul style="list-style-type: none">• Contingency plans of six D-SIBs for business crises.• Encourage insurance companies to use tiering approach for calculation of adjusted net capital.	<ul style="list-style-type: none">• Require six D-SIBs to increase statutory and internal capital buffers by 0.5%.• Evaluate the possibility of gradually incorporating the catastrophe risk of ICS and interest rate risk into RBC system.
Fintech Innovation	<ul style="list-style-type: none">• Three internet-only banks open for business in succession.• Promote use of AI-assisted identification system for "Compulsory Insurance 2.0" claims.• Hold Taiwan RegTech Challenge 2020 Finals and Awards.• Publish guidelines for regulatory sandbox advisory and application procedures.	<ul style="list-style-type: none">• Establish a digital regulatory reporting platform for bills finance companies.• Amend secondary regulations under "The Act Governing Electronic Payment Institutions."	<ul style="list-style-type: none">• Establish a system for disclosure of cooperation between financial institutions and TSPs.• Study the feasibility of allowing financial holding companies to create customer risk profile databases for subsidiaries to access.• Amend the "Directions for Insurance Enterprises Engaging in Online Insurance Business."• Establish a FinTechSpace field verification mechanism.• Finalize selection mechanism for International Team.	<ul style="list-style-type: none">• Hold FinTech Taipei 2021.• Design FinTech professional certificate system.• Design and establish "Fintech Awards."



Key Work Focuses in 2021

	Q1	Q2	Q3	Q4
Financial Cyber Security	<ul style="list-style-type: none">• Develop a competency map for financial cyber security personnel.	<ul style="list-style-type: none">• Request financial institutions above a certain size to designate a Chief Information Security Officer at the vice president level.	<ul style="list-style-type: none">• Conduct financial cyber defense competition.• Build a financial cyber defense camp for training exercises.• Strengthen business continuity measures for banks.	<ul style="list-style-type: none">• Establish cyber security configuration baselines and operational guidelines for financial institutions.• Supervise undertaking by financial industry associations to review and amend cybersecurity-related self-regulatory rules and cyber resilience guidelines.
Important Regulatory Amendments	<ul style="list-style-type: none">• Amend regulations governing the supervision of insurance solicitors, insurance brokers, insurance agents, and reinsurance.• Increase whistleblower rewards.	<ul style="list-style-type: none">• Amend "Compulsory Automobile Liability Insurance Act" and related regulations.• Complete legislative procedures to amend the "Insurance Act."• Amend the "Regulations Governing Pre-sale Procedures for Insurance Products."		<ul style="list-style-type: none">• Amend the "Trust Enterprise Act" and the "Credit Cooperatives Act."• Complete the amendment of "Insurance Act" and related regulations.• Complete review and adjustment of regulations issued by FSC from Feb. 1981 to Dec. 1991.



Key Work Focuses in 2021

	Q1	Q2	Q3	Q4
Consumer Protection and Financial Inclusion	<ul style="list-style-type: none">• Build micro-insurance coverage map and evaluate expanding the scope of coverage.• Publish the 6th Taiwan Standard Ordinary Experience Mortality Table.• Evaluate increasing the protection provided by micro-whole-life insurance.• Introduce new weightings for business management performance indicators that factor into the differential levy rate for the life and non-life stabilization funds.• Promote financial literacy by coordinating the efforts of different government agencies.• Announce results achieved by implementation of the "Financial Inclusion Indicators."	<ul style="list-style-type: none">• Increase the total liability cap of the Risk Spreading Mechanism of Residential Earthquake Insurance from NT\$70 billion to NT\$100 billion.• Facilitate planning of risk spreading mechanism for agricultural insurance.• Assess implementation of Treating Customers Fairly Principles.	<ul style="list-style-type: none">• Hold the online financial literacy quiz contest.• Launch an online platform for protection-type insurance products.	<ul style="list-style-type: none">• Develop a clear and consistent procedure for evaluating the underwriting of policies for persons with disabilities.• Select and award excellent financial education teaching plans.• Promote the Basic Financial Education Project in collaboration with MoE.



2020 Policy Achievements

Major Policy Objective	Progress/Results
Promote Sustainable Finance and Corporate Governance	<ul style="list-style-type: none">• Policies<ul style="list-style-type: none">• Launched the Green Finance Action Plan 2.0 (Aug. 18).• Launched Corporate Governance 3.0 - Sustainable Development Roadmap (Aug. 25).• Regulations and measures<ul style="list-style-type: none">• Amended "Regulations Governing Information to be Published in Annual Reports of Public Companies" to ensure reasonable remuneration of directors and disclosure of ESG information (Q1).• Amended "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" to enhance the independence of independent directors (Jan. 15).• Established the Sustainability Bond Market in Taiwan under the TPEX (Oct. 6).• The Legislative Yuan Finance Committee approved an amendment to the "Insurance Act," which relaxed the cap on insurer investments in domestic corporate bonds, and channeled funds to the Six Core Strategic Industries (Dec. 23).



2020 Policy Achievements

Major Policy Objective	Progress/Results
Promote Sustainable Finance and Corporate Governance (cont'd)	<ul style="list-style-type: none">• Achievements<ul style="list-style-type: none">• As of the end of 2020, three sustainability bonds had been listed on TPEX, raising a total of NT\$ 5.8 billion in debt capital.• As of the end of 2020, loans to the green energy technology industry by domestic banks amounted to about NT\$1,185.7 billion, an increase of approximately NT\$24.4 billion (2.1%) from the end of 2019.• As of the end of 2020, approvals of insurer investments in green energy power plants amounted to NT\$14.1 billion, an annual increase of 1.04 billion (approx. 7.96%).• As of the end of 2020, 10 insurers had participated in offshore wind power insurance. Since the launch of this type of insurance business in 2018, cumulative premium income has come to NT\$3.7 billion.• As of Dec. 2020, 56 green bonds had been listed on TPEX, raising a total of NT\$160.7 billion.• Accomplishments<ul style="list-style-type: none">• Taiwan ranks 4th in the Asian Corporate Governance Association's "CG Watch 2020" (Nov. 25).



2020 Policy Achievements

Major Policy Objective	Progress/Results
Encourage Financial Innovation and Strengthen Cyber Security	<ul style="list-style-type: none">• Policies<ul style="list-style-type: none">• Published "Financial Cyber Security Action Plan" (Aug. 6).• Launched the "FinTech Development Roadmap" (Aug. 27).• Regulations and measures<ul style="list-style-type: none">• Promote Open Banking phase 2 (June 24).• Amendment to the "Act Governing Electronic Payment Institutions" was passed by the Legislative Yuan (Dec. 25) and promulgated (27 Jan. 2021).• Amended regulations for the responsible persons of financial institutions to include expertise in information, technology, e-commerce and other fields among their qualification criteria (Oct.)• Amended the "Directions for Insurance Enterprises Engaging in Online Insurance Business" and the "Operation Directions Governing Insurance Enterprise Applications for the Approval of Business Trials," added investment-linked annuity and comprehensive insurance for marine activities as online insurance products, and strengthened cyber security (June 30).• Products<ul style="list-style-type: none">• The first Sukuk listed on TPEX (Feb. 7).• Completed the use-and-file registration of a specialized comprehensive maritime insurance product (June 30).• Launched F4G TIP TW ESG Futures and TIP Taiwan BIO Futures (June 8) and FTSE 100 Futures (Nov. 23).



2020 Policy Achievements

Major Policy Objective	Progress/Results
Encourage Financial Innovation and Strengthen Cyber Security (cont'd)	<ul style="list-style-type: none">• FinTech and Regtech<ul style="list-style-type: none">• Promoted the development and supervision of internet-only banks, and granted the first internet-only banking license (Dec. 8).• As of the end of 2020, the FSC has accepted 15 applications for conducting innovative experimentation (8 were approved) and approved 17 business trial applications.• Promoted electronic insurance policy certification and a proof-of-policy mechanism.• Conducted pilot projects for a “Policy Conservation/Claims Alliance Chain” service (March 10) and "Compulsory Insurance 2.0" (Dec. 30).• The financial supervisory report system of domestic banks has introduced the automatic declaration by application programming interface (API) approach (Jan. 1).• Signed the fintech MoU with Canadian financial regulators from 8 provinces (June 5).• Held Taiwan RegTech Challenge 2020.• Established the FinTech Co-Creation Platform (Nov. 19).• Cyber Security and other activities<ul style="list-style-type: none">• Built internet-only bank monitoring system and Financial Security Operation Center (end of 2020).• Held FinTech Taipei Forum (Oct. 28-29).



2020 Policy Achievements

Major Policy Objective	Progress/Results
Promote Wealth Management Business	<ul style="list-style-type: none">• Allowed securities dealers to trade in foreign bonds and financial derivatives with overseas affiliates (Feb. 3).• Allowed securities firms to directly participate in management of private equity funds (Apr. 21).• Allowed qualified banks to provide 8 types of financial products or services to high-asset customers (Aug. 7).• Allowed qualifying securities firms to conduct wealth management for high-asset customers (Sep. 8 & Sep.10).• Allowed offshore overseas Chinese and foreign nationals to use foreign currency as collateral to obtain financing from securities firms (Oct. 15).• Allowed foreign-currency-denominated investment-linked insurance products under discretionary management to be used to invest in domestic equity funds issued by securities investment trust enterprises (Oct. 21).
Strengthen Financial Resilience	<ul style="list-style-type: none">• Released a 6-year plan for the New Generation Insurance Solvency Regime (July 28).• Adopted insurance net worth ratio as a statutory supervisory indicator (Apr. 1).• Designated one additional institution as a domestic systemically important bank (D-SIB) (Dec. 24).• Implemented the "Directions for the Review of Life Insurance Products" and incorporated the declared interest rate strategy for interest-sensitive insurance products into the sensitivity test (July 1).• Since the end of 2020, the total amount of specific capital used for calculating an insurance enterprise's capital adequacy ratio has been limited to 50% of the current period's regulatory capital.• Signed declaration of intent with Germany to cooperate in supervision of the banking and insurance industries (Feb. 19).



2020 Policy Achievements

Major Policy Objective	Progress/Results
Optimize Capital Market	<ul style="list-style-type: none">• Announced Capital Market Roadmap (Dec. 8).• Amended the "Securities Investor and Futures Trader Protection Act" to specify the causes for which the SFIPC may file derivative suits and discharge suits. In addition, the suits can be brought against a director or supervisor of an emerging stock company (Aug. 1).• Trading system<ul style="list-style-type: none">• Implemented a continuous trading system (Mar. 23): The average monthly trading volume was higher than in 2019. As of Dec. 2020, the average daily trading volume (including TWSE and TPEX) was NT\$334.1 billion, which is higher than the average of NT\$155.6 billion in 2019.• Implemented an intraday odd lot trading system (Oct. 26): Before: the odd-lot trading volume accounted for 0.14% of TWSE and TPEX total trading volume; After: the first month of the odd-lot trading volume accounted for 0.32% of TWSE and TPEX total trading volume (up 129%).



2020 Policy Achievements

Major Policy Objective	Progress/Results
Achieve Financial Inclusion	<ul style="list-style-type: none">• Policies<ul style="list-style-type: none">• Launched "Trust 2.0-The Promotion Plan for Comprehensive Trust Services" (Sep. 1).• Adopted a list of 21 financial inclusion indicators (Jan. 14).• Regulations and measures<ul style="list-style-type: none">• Expanded the coverage of residential fire insurance to include residential typhoon and flood damage (Jan. 1).• Amended the "Regulations Governing Business Solicitation, Policy Underwriting and Claim Adjusting of Insurance Enterprises" and the "Directions for Sale of Investment-linked Insurance Products." Under the amended provisions, an insurance enterprise may not treat a specific applicant or policyholder unfairly due to his or her disability; shall not induce the customer to rescind or terminate contracts or pay the premium by a loan or a policy loan; shall not sell investment-linked insurance products to persons aged above 65; and shall maintain a record of each selling process by audio or video means (Feb. 13 and Aug. 26).• Amended the "Regulations Governing the Dedicated Deposit Account of Electronic Payment Institutions" to allow electronic payment institutions or trustee banks to apply with credit cooperatives or the Agricultural Bank of Taiwan to open cooperative accounts (Feb. 24).• Adopted and subsequently amended the "Program for Encouraging Domestic Banks to Expedite Processing of Relief and Stimulus Loans" (Apr. 9, June 2, and Sep. 30).• Amended the Compulsory Automobile Liability Insurance Disability Payment Standards Table to specify evaluation standards for neuropathy impairment (May 28).• Amended the Table of Standard Premiums for Accidental Death and Disability Benefits under Individual Travel Accident Insurance, reducing standard premium rates for accidental death and disability benefits by 10% effective from Jan. 1, 2021 (Oct.29).



Major Policy Objective	Progress/Results
Achieve Financial Inclusion (cont'd)	<ul style="list-style-type: none">• Regulations and measures(cont'd)<ul style="list-style-type: none">• The financial inheritance inquiry measures have been extended nation-wide, and the scope of inquiries has been expanded (July 1 and Sep. 1).• The Legislative Yuan passed an amendment to the "Compulsory Automobile Liability Insurance Act," changing the word "handicapped" to "disabled" (Dec. 25). The amended Act was promulgated on 20 Jan. 2021.• Achievements<ul style="list-style-type: none">• As of the end of September, more than 6,000 financial literacy events have been conducted, attracting more than 580,000 participants.• By the end of 2020, the cumulative number of persons with micro-insurance stood at 961,000, an increase of 204,000 from the end of 2019.• By the end of 2020, there were 554,500 micro-whole-life insurance policies in force, an increase of 61,500 from the end of 2019.• As of the end of 2020, insurers had accepted a total of 4,842 applications for reverse mortgage loans, and the total amount of approved loans stood at NT\$27.6 billion, an increase of 762 applications and NT\$4.8 billion from the end of 2019.• By the end of 2020, there were 33,620 beneficiaries of elderly care trust agreements, and the aggregate trust principal was approximately NT\$43.4 billion, an increase of 7,854 beneficiaries and NT\$17.4 billion respectively from the end of 2019.• By the end of 2020, banks had approved relief loan applications from about 1.27 million households, and the approved loan amount was about NT\$3 trillion.• By the end of 2020, there were 20 commercial agricultural insurance products, and the premium income from 2015 to the end of 2020 was NT\$540 million.• Announced the results of an assessment of financial services enterprises' performance in implementing the TCF Principles, and held an awards ceremony in August 2020 (July 2).



2020 Policy Achievements

Major Policy Objective	Progress/Results
Review and Adjust Regulations	<ul style="list-style-type: none">• Regulations and measures<ul style="list-style-type: none">• The Finance Committee of the Legislative Yuan passed an amendment to the "Insurance Act" to relax a previous restriction on the maximum number of directors and supervisors that an insurer may appoint to the board of a public utility or social welfare enterprise in which it has invested. As a result of the change, an insurer may now appoint as many as 1/3 of the directors and supervisors of such an investee enterprise (Dec. 23).• Amended the "Regulations Governing Pre-sale Procedures for Insurance Products" to improve the efficiency of the insurance product review process (Mar. 30).• Domestic juridical persons may open accounts for the purpose of handling loan-related receipts and disbursements in offshore banking units (OBUs) (Oct. 26).• Bills finance companies get the green light to trade foreign currency denominated bonds (including repo trades) with OBUs and OSUs, and to engage in interbank foreign currency lending with OBUs (July 16).• Amended the "Regulations Governing Securities Investment Trust Enterprises" to add the requirement that securities investment trust enterprises shall collect or pay fees in a reasonable manner for their operations (Dec. 17).• Amended the "Regulations for Establishment, Transfer, or Withdrawal of Branch Units by Insurance Enterprises" to strengthen the suitability and internal management of the insurance business of domestic branches, and identify different divisions and functions (July 15).• Achievements<ul style="list-style-type: none">• By the end of 2020, the project of review and modernization of regulations has reached the point where 1,254 regulations have been repealed, 2 regulations reserved, and 3 regulations were re-issued.• Regarding the National Development Council's deregulation project, the FSC has relaxed 154 regulations (more than any other government agency) as of 3Q 2020. For 4Q 2020, the FSC reported 12 relaxed regulations and 1 to be relaxed.