



Key Work Focuses in 2023

1

| ① Improve financial stability and resilience | ② Build a sound sustainability ecosystem | ③ Meet the needs for financial services | ④ Create an inclusive financial environment |
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| <ul style="list-style-type: none">● Amend regulations on bank capital adequacy requirements● Develop reserve requirements of insurance industry to align with the IFRS 17● Liberalize the issuance of long-term corporate bonds with capital nature in the insurance sector | <ul style="list-style-type: none">● Promulgate the Sustainable Development Action Plan for Listed Companies 2023● Set up an ESG data platform and a Sustainable Finance Website● Enlarge the scope of the sustainable economic activities in Taiwan Sustainable Taxonomy | <ul style="list-style-type: none">● Implement the plan of lending to SMEs and six core strategic industries to help SMEs and firms in Six Core Strategic Industries obtain funds● Offer diversified financial products and services to customers● Promote Trust 2.0 Phase 2 implementation plan | <ul style="list-style-type: none">● Strengthen promotion of microinsurance / micro-whole-life insurance● Provide suitable financial services to the elderly and persons with cognitive impairment● Enhance friendly financial measures for people with disabilities |
| ⑤ Lay out a blueprint for a new digital financial services environment | ⑥ Build a secure cyber defense network | ⑦ Safeguard consumer interests and improve financial literacy | ⑧ Develop modernized supervisory mechanisms |
| <ul style="list-style-type: none">● Release the FinTech Development Roadmap 2.0● Release the results of reviews of applications for establishment permits for internet-only insurance companies● Amendment of the Regulations Governing Internal Operating Systems and Procedures for the Outsourcing of Financial Institution Operation | <ul style="list-style-type: none">● Expand the range of companies required to appoint a chief information security officer (CISO)● Formulate financial cybersecurity self-regulatory rules● Enhance financial institutions' offensive and defensive cyber exercises | <ul style="list-style-type: none">● Help consumers to protect themselves from financial fraud● Amend the provisions in the Securities and Exchange Act regarding the scope of duties and powers of the audit committee● Publish the first-year financial literacy achievement journal | <ul style="list-style-type: none">● Formulate the legal basis of Fund Structure REITs● Establish a differentiated oversight mechanism for accounting firms● Amend the provisions in the Banking Act and the Financial Holding Company Act regarding the accountability of controlling shareholders |



Key Work Focuses in 2023-Improve financial stability and resilience

2

| Q1 | Q2 | Q3 | Q4 |
|---|--|---|--|
| <ul style="list-style-type: none">● Release draft amendments to the "Methods for Calculating Banks' Regulatory Capital and Risk-Weighted Assets" regarding the standardized approach and the internal ratings-based approach (IRB) to credit risk, and require banks to conduct the trial calculations accordingly● Amend profit-testing requirements for life insurance products to reflect the true profitability of interest-sensitive insurance policies | <ul style="list-style-type: none">● Amend the "Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises" to require adoption of IFRS 17 in 2026 with respect to the setting aside of various reserves, and the types of such reserves● Amend the "Directions Governing the Issuance of Corporate Bonds as Capital Instruments by Insurance Companies" to allow insurers to issue long-term bonds as capital instruments● Launch a settlement service among clients for NTD interest rate swaps (IRSs) and a centralized settlement service for NTD non-delivery forwards (NDFs)● Establish a mechanism for cancelation of unfinished orders after disconnection in the futures market● Amend the "Regulations Governing Pre-sale Procedures for Insurance Products" to include risk control personnel among insurance product signatories and define their responsibilities, and to strengthen risk control mechanisms● Amend the "Directions for Encouraging the Public to Report Illegal Financial Activities by the Financial Supervisory Commission" to expand the types for whistleblowing rewards | <ul style="list-style-type: none">● Amend the "Methods for Calculating Banks' Regulatory Capital and Risk-Weighted Assets" and allow banks to apply for approval to use the IRB approach● Amend the "Regulations Governing the Preparation of Financial Reports by Insurance Enterprises" and definition of "insurance enterprise funds," and issue interpretive orders on the method for calculating reserves in preparation for adopting IFRS 17● Amend the "Regulations Governing Financial and Business Operations of Professional Reinsurance Enterprises" to revise how professional reinsurance enterprises are to set aside special reserves for different lines of reinsurance | <ul style="list-style-type: none">● Promote the establishment of internal control system of sustainability information reporting and management among listed companies |



Key Work Focuses in 2023-Build a sound sustainability ecosystem

3

| Q1 | Q2 | Q3 | Q4 |
|---|---|---|--|
| <ul style="list-style-type: none"> ● Adopt the “Sustainable Development Action Plan” for Listed Companies ● Continue promoting and developing the “Taiwan Sustainable Taxonomy”, and expand the range of industries and economic activities to which it applies ● Amend the "Regulations Governing Public Disclosure of Information by Non-life/ Life Insurance Enterprises" to require that insurers meeting certain conditions must make climate-related disclosures | <ul style="list-style-type: none"> ● Banks and insurers make first disclosure of their climate-related financial information ● Amend "Regulations Governing Issuance of NTD Bank Debentures by Foreign Bank Branches" to relax the scope of the use of proceeds to support sustainable economic activities ● Amend the "Standards for the Levy Rates of the Life and Non-life Insurance Guaranty Funds" to add duration benchmarks, respond to changes in insurers' overall risks, and exercise differential regulatory treatment ● Launch electronic notification services for dividend payments by public companies ● Amend "Regulations Governing Requirements and Concurrent Serving Restrictions and Matters for Compliance by the Responsible Persons of Banks/ Insurers" to enhance the management of conflicts of interest ● Amend the "Corporate Governance Best-Practice Principles for Insurance Enterprises" to improve corporate governance and sustainability disclosures | <ul style="list-style-type: none"> ● Joint Credit Information Center (JCIC) tests for banks' online ESG data integration inquiry database ● Securities and futures firms prepare and publish sustainability reports based on scale , and complete third-party verification for specific items | <ul style="list-style-type: none"> ● Establish the Sustainable Finance Website ● Announce results of Sustainable Finance Evaluations ● Require securities and futures companies of certain scales to conduct climate change scenario analyses ● Complete a standard climate scenario analysis for insurers ● Evaluate the feasibility of revising the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" to align with IFRS Sustainability Disclosure Standards |



Key Work Focuses in 2023-Meet the needs for financial services and create an inclusive financial environment

4

| Q1 | Q2 | Q3 | Q4 |
|---|--|--|--|
| <ul style="list-style-type: none"> ● Implement Phase 2 of the "Program to Encourage Lending by Domestic Banks to Enterprises in the Six Core Strategic Industries" ● Amend the "Regulations Governing the Commendation of Excellent Microinsurance and Micro-Whole-Life Insurance" to allow a wider range of entities to receive commendations ● Study the possibility of increasing the maximum insured amount of micro-whole-life insurance policies, and increasing the maximum number of in-force micro-whole-life insurance policies that a single party may hold ● Adopt guidelines for the provision of financial services to people with dementia ● Amend the "Guidelines for Friendly Banking Services" and the accompanying FAQs to help people with disabilities open bank accounts ● Announce mechanism for 2024 Treating Customers Fairly (TCF) assessments ● Adopt "Model Provisions for Travel Service Liability Insurance" and "Model Provisions for Pet Insurance." | <ul style="list-style-type: none"> ● Implement Phase 18 of the "Program to Encourage Lending by Domestic Banks to Small and Medium Enterprises" ● Amend the regulations governing the disposal of clients' equity-type foreign securities obtained through physical delivery of structured products for banks to provide more comprehensive asset management for high-asset customers ● Arrange for the "Inter-institution E-payments Platform" to provide a "Shopping" function ● Instruct financial industry associations to hold meetings with groups of people with disabilities | <ul style="list-style-type: none"> ● Construct an ETF dual/multi-currency trading mechanism ● Allow Private Equity Investment and Trust Funds of professional investment institutions or high-asset customers to invest in private equity funds ● Expand the Trust Enterprise Cross-Industry Alliance Partner Database to include IT and medical service providers ● Complete 2023 Treating Customers Fairly (TCF) assessment task (assessed year: 2022) ● Amend the "Guidelines for Provision of Friendly Financial Services by Insurance Enterprises" by adding new provisions to ensure that people with disabilities have access to user-friendly services ● Work with local and central government agencies to promote microinsurance and increase its penetration rate | <ul style="list-style-type: none"> ● Enact a sub-law under amendments to the "Securities Investment Trust and Consulting Act" to introduce a Fund-Structure REIT regime according to legislative schedules ● Complete the research on permitting Futures Commission Merchants (FCMs) to refer contracts for difference (CFDs) on foreign equity provided by leverage transaction merchants ● Optimize the functionality of E-passbook for insurance policies by adding the disclosure of benefit items ● Instruct financial industry associations to hold meetings with groups of people with disabilities |



Key Work Focuses in 2023-New digital financial services environment and a secure cyber defense network

5

| Q1 | Q2 | Q3 | Q4 |
|---|--|--|---|
| <ul style="list-style-type: none">● Announce draft amendment of the "Regulations Governing Internal Operating Systems and Procedures for the Outsourcing of Financial Institution Operation," which simplifies outsourcing approval procedures and provides for the building of effective control mechanisms● Launch "Green FinTech" promotional activities● Instruct financial industry associations to incorporate the "Security Control Guidelines for the Handling by Financial Institutions of Rapid Identification Mechanisms" into their self-regulatory rules | <ul style="list-style-type: none">● Announce the reviewing results of applications for internet-only insurance companies● Amend the "Directions for Operation Outsourcing by Insurance Enterprises" to simplify outsourcing approval procedures and provide for the building of effective control mechanisms● Amend the "Directions Governing Insurers' Conduct of Online Insurance Purchases and Insurance Services" to expand the use by insurers of the audio-visual recording systems of insurance brokerages and agencies● Hold distributed denial-of-service (DDoS) attack defense exercises for financial institutions | <ul style="list-style-type: none">● Announce the "FinTech Development Roadmap 2.0"● Hold cybersecurity offensive and defensive training and exercises | <ul style="list-style-type: none">● Complete the first stage of the "Open Securities Initiative" to promote public access to open data of securities and futures enterprises● Improve relevant self-regulatory rules and technical and information security standards for the third stage of "Open Banking Initiative"● Hold the FinTech Taipei 2023 Forum● Amend financial cybersecurity self-regulatory rules● Strengthen important core data vaulting mechanisms of financial institutions |



Key Work Focuses in 2023-Safeguard consumer interests, improve financial literacy and develop modernized supervisory mechanisms

6

| Q1 | Q2 | Q3 | Q4 |
|--|--|--|--|
| <ul style="list-style-type: none"> ● Submit an amendment to Articles 14-4, 14-5 and 178 of the "Securities and Exchange Act" to the Executive Yuan for reviewing in order to strengthen the function of the audit committees ● Continuously promote public awareness of financial fraud and how to prevent it ● Promote fraud prevention by requiring banks to add warnings against dummy accounts in passbooks ● Launch the "Finance Talk" radio program ● Allow insurers to conduct RP/RS trades involving more types of domestic and international bonds, and ease eligibility requirements for such bonds ● Adopt a "Model Currency Risk Statement for Investment-Linked Insurance Contracts Operated in a Foreign Currency" | <ul style="list-style-type: none"> ● Submit draft amendments to the "Banking Act" and the "Financial Holding Company Act" (regarding the accountability of controlling shareholders) to the Executive Yuan for deliberations ● Strengthen internal control and management of insurance solicitor activities ● Solicit more contesting entries for the Most Outstanding Financial Literacy Teaching Plans of the Year ● Launch Domestic Fund Centralized Clearing Platform for securities investment trust enterprises ● Amend the "Regulations Governing Business Solicitation, Policy Underwriting and Claim Adjusting of Insurance Enterprises" and "Directions for Sale of Investment-linked Insurance Products" to improve telemarketing procedures | <ul style="list-style-type: none"> ● Publish the first-year financial literacy achievement journal ● Allow foreign investors to use Taiwan's TWSE-listed or TPEX-listed securities as collateral for overseas investment activities. ● Amend the "Regulations Governing Insurance Brokers" and "Regulations Governing Insurance Agents" to improve telemarketing procedures and conduct a critical review of the signatory system ● Use the national healthcare database to expand empirical statistical studies of various healthcare matters | <ul style="list-style-type: none"> ● Establish a mechanism for differentiated oversight of CPA firms ● Promote an inter-agency basic financial literacy program ● Allow securities firms to handle margin trading of foreign securities denominated in foreign currencies ● Construct a "Risk management supervisory information platform" and a "Joint credit information platform" for margin trading of foreign securities denominated in foreign currencies ● Complete the third phase of review and modernization of regulations issued by FSC |