



金融監督管理委員會

FINANCIAL SUPERVISORY COMMISSION, R.O.C.

Trust 2.0 - "The Promotion Plan for Full Functions of Trust Services " Implementation Plan

Financial Supervisory
Commission

September 1, 2020



Outline

- I Background
- II Vision of the Plan
- III Contents of the Plan
- IV Main Implementation Strategy
- V Implementation Manners



I. Background (1/2)

1. Fewer trust services are truly tailor-made for customers

- Trust enterprises in Taiwan are currently operated by financial institutions such as banks. Due to the allocation of their internal resources and job rotation scheme, it has not been easy for trust enterprises to develop diverse trust services and cultivate professional trust talents.
- In the 20 years of trust businesses growth, the scale of trust assets has grown significantly from NT\$456 billion in 2000 to NT\$9.6 trillion as of the end of 2019. The trust assets of money trusts have increased from NT\$310 billion to NT\$8.4 trillion. Using trust assets for wealth management still accounts for a high proportion of trust businesses and fewer trust services are truly tailor-made for customers..



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Trust services

Trust properties increased by 20-fold

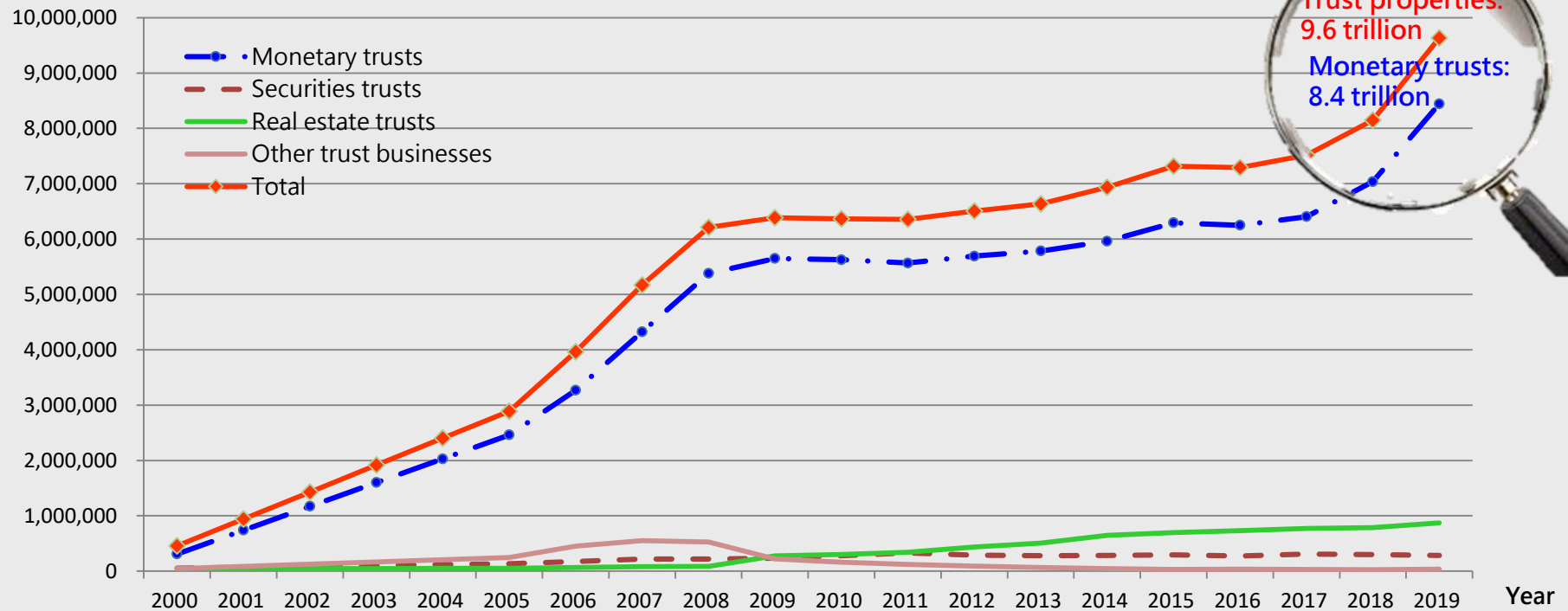


High amounts of money trusts (wealth management)



Low amounts of tailored-made products

Trust asset amount
NT\$ million





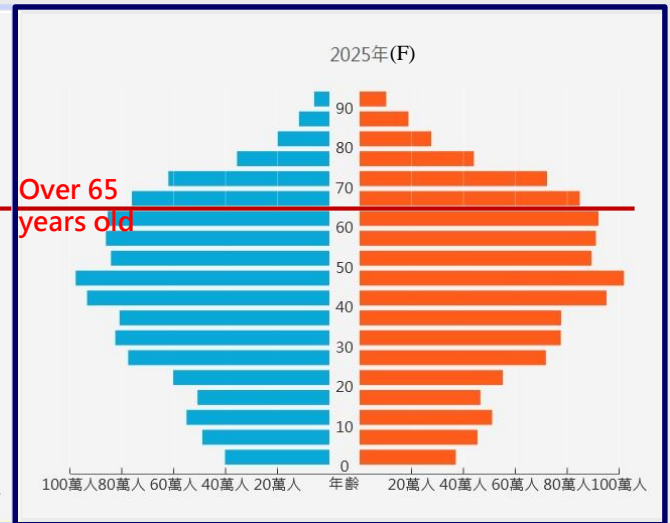
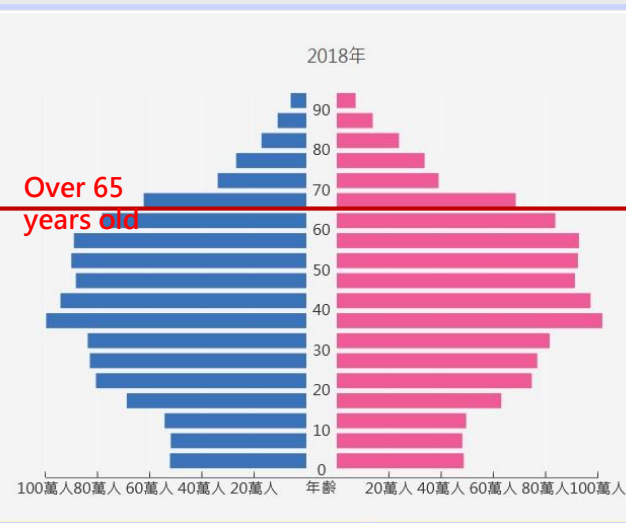
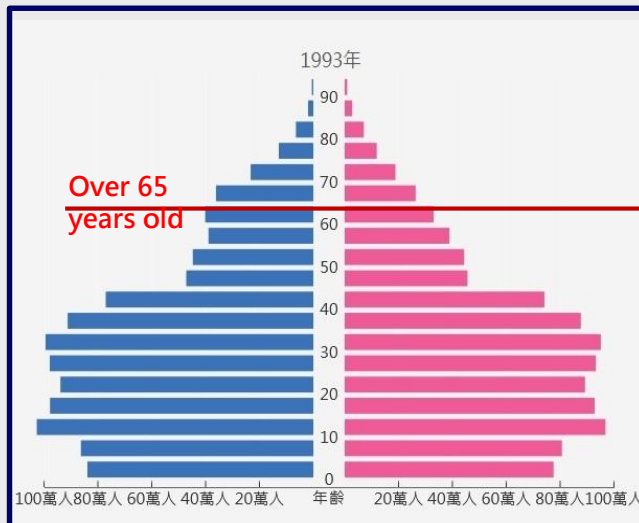
I. Background (2/2)

2. Change the current trust model that focuses on wealth management and help trust enterprises develop a full range of trust products

- According to the statistics of the Ministry of the Interior, Executive Yuan, Taiwan's elderly population over the age of 65 reached 3.31 million in 2018, accounting for 14.1% of the total population as Taiwan officially becomes an aged society. The National Development Council estimated that by 2030, the elderly population in Taiwan will account for approximately 23.9% of the population and they will account for 36.5% of the population by 2050.
- Due to the wide range of applications offered by trusts and their flexibility in operations, the FSC launched the Trust 2.0 Plan to respond to the challenges and opportunities presented to the country by the changes in the elderly population and shift the focus of trust enterprises from wealth management trusts.



Taiwan is now an aged society and is expected to become a super-aged society by 2025



1993

- Aging society

2018

- Aged society

2025 (estimate)

- Super-aged society

II. Vision of the Plan (1/3)





II. Vision of the Plan (2/3)

1. Build age-friendly residences and promote aging in place

- Use financing, superficies (leasehold) trusts, real estate trusts, real estate development trusts, construction fund trusts, and entrusted real estates, etc. and make use of urban renewal and vacant public land to cooperate with developers of elderly care facilities to build elderly care residences or daycare centers to achieve the objectives of aging in place, aging in the community, and aging in institutions.

2. Assist in asset management and ensure economic security

- Use prepaid fund trusts, reverse mortgage, and various insurance payments to establish elderly care trusts that provide payment functions for care for the elderly. Trust enterprises can also use discretionary trusts with flexible adjustments of trust properties to help the elderly with asset management and ensure their economic security.



II. Vision of the Plan (3/3)

3. Establish cross-industry alliances to meet diverse needs

- Trust enterprises can screen other industries or associations to establish cross-industry collaboration and provide the elderly with one-stop high-quality services including personal care, healthcare, social welfare, and general entertainment.

4. Integrate securitization tools to develop diversified markets:

- The FSC encourages financial institutions to take part in the real estate investment trusts (REITs) market and enhances governance mechanisms of REITs to promote diverse development in the market with securitization tools and protect the rights and interests of investors.



III. Contents of the Plan

1. Integrate internal resources of financial institutions across multiple financial products

- Plan and organize seminars and share the experience and case studies of financial institutions to consolidate a consensus of the board of directors and senior management for improving the functions of trusts.
- These measures will encourage financial institutions actively invest suitable resources and integrate the internal resources of financial institutions into all financial products (including bank loans, wealth management, insurance, securitization, and other financial services) to develop a full range of trust services.

2. Use cross-industry collaboration to design personalized trust products to provide comprehensive financial services

- Trust enterprises can use cross-industry cooperation to design personalized trust products and provide customers with a full scope of high-quality services including asset management, personal care, healthcare, social welfare, general entertainment, urban renewal development, use of vacant public land, and the Long-Term Care 2.0 Policy.



IV. Main Implementation Strategy (1/6)

1

Regulations and Business Development

2

Talents Cultivation, Promotion, and
Industrial-Academic Cooperation

3

Cross-Industry Alliances

4

Evaluation and Reward Mechanisms



IV. Main Implementation Strategy (2/6)

1. Regulations and Business Development

- Guide financial services firms to gradually elevate the functions of their trust departments and give them a more prominent position within their organizational structure.
- Review regulations to enhance the governance of real estate investment trusts (REITs).
- Coordinate and enhance pre-sale house trust mechanisms.
- Amend the Principles for Review and adoption of Remuneration Mechanisms of Trust Enterprises.
- Ease restrictions on marketing and promotion of trust businesses.
- Evaluate the feasibility of the development of specialized trust companies in Taiwan.
- Formulate family trust legal framework and taxation environment.
- Encourage companies to provide employee welfare trusts.



IV. Main Implementation Strategy (3/6)

2. Talent Cultivation, Promotion, and Industrial-Academic Cooperation

- Talent Cultivation:
 - ◆ Develop professional training programs for trust businesses.
 - ◆ Organize and execute training courses required for the Trust 2.0 Plan.
 - ◆ Promotion of related certification frameworks:
 - The Trust Association promotes the "Financial Advisors for Seniors" trust professional skill certification framework.
 - The Trust Association promotes the "Family Trust Advisors" certification plan.
 - ◆ Organize seminars to continue consolidating consensus within the industry for the transformation of trust businesses.



IV. Main Implementation Strategy (4/6)

2. Talent Development and Education Promotion

- Campaigns for Enhancing the Public's Knowledge of Trusts:
 - ◆ The Trust Association continues to implement promotional campaigns for institutions, groups, trust consultation contact units of Social Welfare Bureaus (Departments) in municipal governments, and various social welfare organizations.
 - ◆ Produce promotional short videos to be played on media and print promotional pamphlets for reference and use by all sectors.
 - ◆ Using press releases, meetings, and media to continue to promote trusts to help citizens learn more about trusts.
 - ◆ It shall include the idea of trusts and trust businesses into the "Financial Literacy" Campaign for use in trust courses of the "Songnian University" organized by municipal governments to promote the idea of trusts to the people.
- Enhance industrial-academic cooperation for trusts:
 - ◆ Encourage universities and colleges to offer professional courses on trust laws and trust businesses.
 - ◆ Provide information on the supply and demand of talents that specialize in trusts, encourage trust enterprises to provide after-school internship opportunities for students, and provide employment opportunities (including short-term employment) for those with satisfying academic performance.



IV. Main Implementation Strategy (5/6)

3. Cross-Industry Alliances

- Evaluate cross-industry and integrate-product line issues and create a platform for promoting cross-industry innovations and services.
- Encourage trust businesses to use integrated product sales models such as "cross-industry alliance services", "cross-industry referral marketing", or "integrated marketing of trusts or financial products".
- The Trust Association and trust enterprises can visit social welfare organizations, elderly care organizations, and medical institutions to explore the possibilities of cross-industry collaboration.



IV. Main Implementation Strategy (6/6)

4. Evaluation and Reward Mechanisms:

- The Trust Association is responsible for the evaluation of the results of institutions. The FSC will provide suitable rewards for trust institutions with outstanding performance in implementation.
- The contents of the evaluation must be focused on the "qualitative" factors and will incorporate the integrity of customer services, integration and enhancement of trust resources, innovation in the development of new markets, new customers, new technologies, and new services, and contributions to the financial market and social welfare.
- The Trust Association shall consult willing trust enterprises to engage in long-term development of unique or innovative trust products with cross-industry alliances to help trust enterprises learn from each other.



V. Implementation Manners

Establishment of the "Trust 2.0 Implementation Work Group"

- **Convener:** Chairperson of the FSC; Deputy Convener: Vice Chairperson of the FSC
- **Executive Secretary:** Director-General of the Banking Bureau
- **Implementation schedule:** 2 years.
- **Implementation manner:** Members responsible for each strategy shall convene meetings regularly or when necessary and report the implementation progress of main strategies to the Work Group every six months.
- **Members of the Working Group:** Members include the Trust Association, Bankers Association, financial training institutions, Taiwan Financial Services Roundtable, trust enterprises, Ministry of the Interior, Ministry of Health and Welfare, social welfare organizations, and representatives assigned by related industries. They shall invite related enterprises from different industries for discussions based on the theme of the cooperation.



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End of Presentation
We welcome your comments