



金融監督管理委員會

FINANCIAL SUPERVISORY COMMISSION, R.O.C.

Trust 2.0 "Comprehensive Trust" Phase 2 Implementation Plan

Financial Supervisory
Commission

September 2022



Outline

I Background Information

II Core Objectives

III Main Implementation Strategy



I. Background Information (1/2)

The Trust 2.0 Plan has achieved great results since its implementation on September 1, 2020

- **Organizational structure:** Trust enterprises have gradually increased the functions and organization structure of the trust department.
- **Cross-industry alliances:** Partners have been expanded from elderly care trust industries such as medical institutions, social welfare organizations, and long-term care institutions to family trust professionals such as attorneys, accountants, and business management consultants.
- **Laws or self-governing regulations:** Regulations have been set up to govern banks that concurrently operate trust businesses to incorporate the contribution of the trust system for promoting integrated businesses into the salary system and evaluation of related units. Restrictions on marketing and promotion of trust businesses and the maximum value of promotional gifts provided by trust enterprises have also been relaxed.



I. Background Information (2/2)

The Trust 2.0 Plan has achieved great results since its implementation on September 1, 2020

- **Talent development:** Organized training programs for "financial advisors for seniors" and "family trust advisors" and completed related certification plans.
- **Business volume** (as of the end of June 2022)
 1. Elderly care trust: Trust properties total NT\$59.4 billion, an increase of 16 billion compared to the end of 2020.
 2. Employee benefit trust: Trust properties totaled NT\$183 billion, an increase of 42.1 billion compared to the end of 2020.



II. Core Objectives (1/6)

Core Objective 1: Trust services for satisfying the needs in all stages of life

★ Trust services for the aging society and the protection of assets for people with dementia (elderly care trust)

- ✓ Due to the rapid increase of the elderly population in recent years, dementia has become an increasingly severe global public health problem.
- ✓ The FSC will continue to promote trust services for the elderly, and will also include the enhancement of financial security and related assistance measures for people with dementia with trust mechanisms to enhance property security for people with dementia and satisfy their future financial needs.



II. Core Objectives (2/6)

Core Objective 1: Trust services for satisfying the needs in all stages of life

★★ Trust services for supporting companies' employee pension reserve (employee benefit trust)

- ✓ As Taiwan will soon become a super-aged society, the FSC shall expand the promotion of employee welfare trusts for companies by companies, including employee stock ownership trusts and employee benefits and savings trusts as the third pillar for enhancing employees' future retirement reserve, which will help citizens with future wealth accumulation and wealth management plans in their retirement.



II. Core Objectives (3/6)

Core Objective 1: Trust services for satisfying the needs in all stages of life

★★★ Trust services for protecting the rights and interests of home buyers (pre-sale house trust mechanisms)

- ✓ The real estate development trust and price trust systems are a part of the pre-sale house transaction security mechanism of the Ministry of the Interior.
- ✓ The FSC shall continue to coordinate and enhance trust mechanisms for pre-sale houses to enhance the security of home purchase transactions, reduce disputes in the transactions of pre-sale houses, and enhance the protection of people's rights in home purchases.



II. Core Objectives (4/6)

Core Objective 2: Expansion and intensification of cross-industry alliances for trusts

- ✓ The Trust Association has implemented four major cross-industry collaboration projects, including elderly care trust, real estate management trust, elderly care residence real estate development trusts, and family trusts, in accordance with the "Trust Enterprise Cross-Industry Alliance Development Roadmap", and set up the "Partner Database". The Association will continue to expand cross-industry collaboration categories and partners.
- ✓ The Trust Association will enhance cross-industry collaboration between trust enterprises and information technology as well as medical service companies. The Plan takes into account the methods and knowledge of medical institutions on cognitive function tests to help financial institutions understand the cognitive status and expressive abilities of the elderly and customers with dementia. Financial institutions must provide appropriate transactions and services based on the cognitive and expressive abilities of their customers to protect the rights of the elderly and customers with dementia.



II. Core Objectives (5/6)

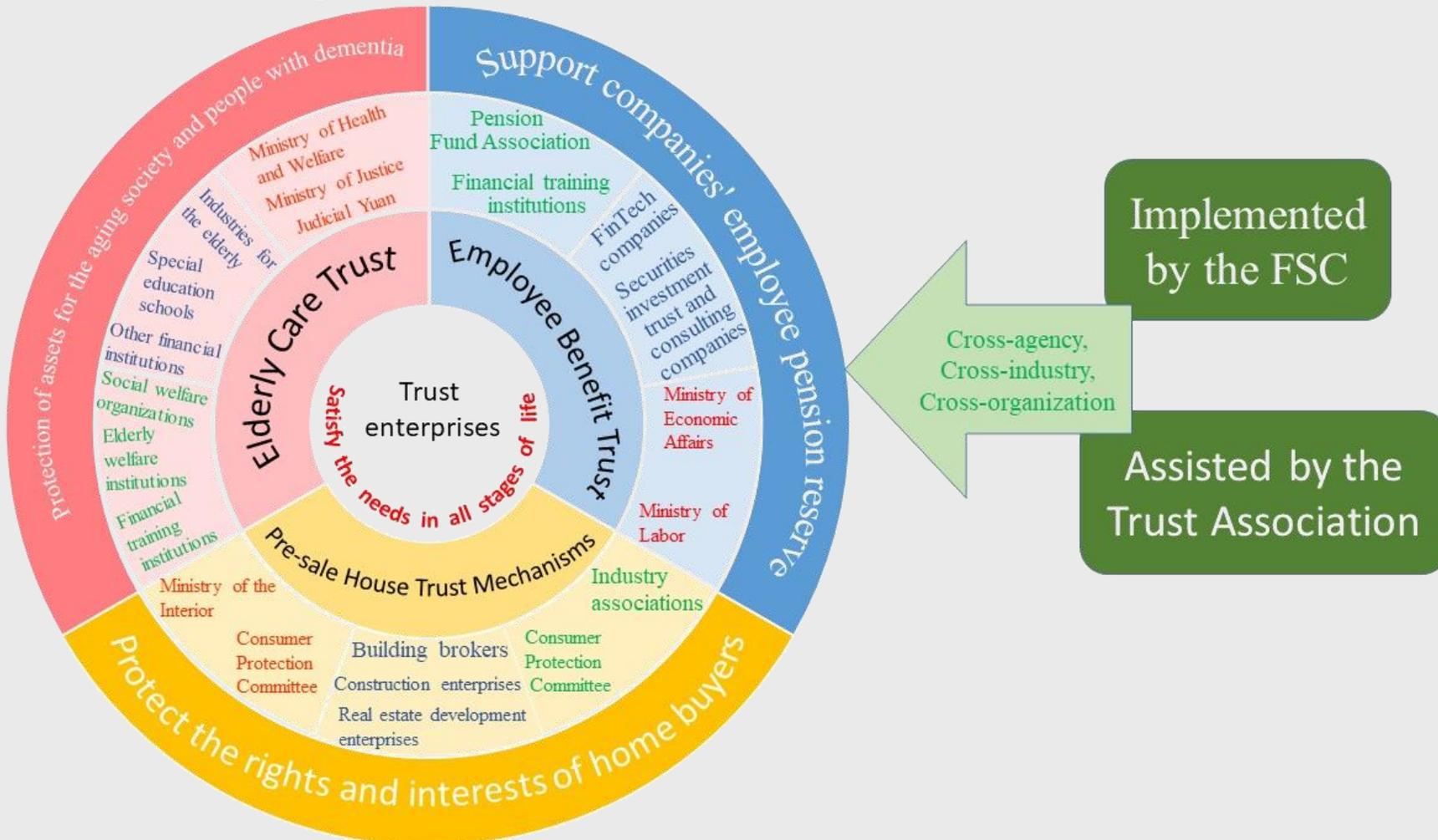
Core Objective 3: Enhance the knowledge and understanding of trust services for the elderly, people with dementia and disabilities

- ✓ As population aging accelerates and birthrates decline, the elderly, people with dementia and disabilities often become primary targets for criminals who go after their properties. It has become an important issue for the government.
- ✓ The Trust 2.0 Phase 2 Plan will continue to increase people's awareness and enhance the knowledge and understanding of trust services for the elderly, people with dementia and disabilities to help them make use of the trust system and ensure the security of their assets.



II. Core Objectives (6/6)

Cross-Industry Collaboration and Alliances for the Trust 2.0 Phase 2 Plan





III. Main Implementation Strategy (1/10)

Implementation schedule: September 1, 2022 to December 31, 2024 (extensions will be reviewed and considered upon expiry)

Main Implementation
Strategy 1

Regulations and Business Development

Main Implementation
Strategy 2

Talent Cultivation, Promotion, and Industrial-Academic
Cooperation

Main Implementation
Strategy 3

Cross-Industry Alliances

Main Implementation
Strategy 4

Evaluation and Reward Mechanisms



III. Main Implementation Strategy (2/10) - 12 Important Measures

Formulate and review legislation to enhance the management of real estate investment trusts (REITs)

01

Continue to guide financial institutions to gradually elevate the functions of their trust departments and give them a more prominent position within their organizational structure

02

Continue to coordinate and enhance pre-sale house trust mechanisms

03

Formulate the family trust legal framework and taxation environment

04

Encourage companies to provide Employee Benefit Trust

05

Establish guidelines for financial services for people with dementia in related self-governing rules

06



III. Main Implementation Strategy (3/10) - 12 Important Measures

Promote related certification systems and advanced training and retraining programs

07

Enhance the knowledge of financial services for the elderly, people with **dementia and disabilities**

08

Enhance industrial-academic cooperation for trusts
Promote the "Campus Trust Development Plan"

09

Assist in Organizing training courses for trust supervisors

10

Organize evaluations to reward trust enterprises and personnel with outstanding performance

11

Promote cross-industry collaboration for trust enterprises and improve related measures for the friendly treatment of the elderly and customers with dementia

12



III. Main Implementation Strategy (4/10)

Main Implementation Strategy 1 Regulations and Business Development

- Continue to guide enterprises in gradually increasing the functions and organization structure of the trust department.
- Formulate and review legislation to enhance the management of real estate investment trusts (REITs).
- **Continue to coordinate and enhance pre-sale house trust mechanisms.**
 - ✓ The FSC has sent the recommendations for enhancing measures for the real estate development trusts and price trust for the pre-sale house transaction security mechanism proposed by the Trust Association to the Ministry of the Interior for reference in June 2022.
 - ✓ The FSC shall continue to communicate and coordinate with the Ministry of the Interior to effectively resolve the disputes in current transactions of pre-sale houses.
- Formulation of the family trust legal system and taxation environment.



III. Main Implementation Strategy (5/10)

Main Implementation Strategy 1 Regulations and Business Development

- Encourage companies to organize employee benefit trust.
 - ✓ To expand employee benefit trust of companies, the FSC will continue to encourage financial institutions under the jurisdiction of the FSC, to set up employee benefit trust. The financial holding companies should include the parent company and all subsidiaries in the scope of implementation to enhance the bond between financial holding companies and employees of their subsidiaries. The system can also be used as an example to encourage other companies to follow suit.



III. Main Implementation Strategy (6/10)

Main Implementation Strategy 1 Regulations and Business Development

- Establish guidelines for financial services for people with dementia in related self-governing rules.
 - ✓ To help financial institutions provide financial services that better meet the needs of people with dementia, the FSC has asked trade associations to collect information on the behavior of people with dementia when they process matters at financial institutions and the practical problems that financial institutions face when handling financial transactions or providing services to people with dementia. The FSC will also formulate guidelines in the self-governing regulations as reference for employees of financial institutions.



III. Main Implementation Strategy (7/10)

Main Implementation Strategy 2 Talent Cultivation, Promotion, and Industrial-Academic Cooperation

- Talent development:
 - ✓ Continue to promote professional training programs for trust businesses.
 - ✓ Promote related certification systems for "financial advisors for seniors" and "family trust advisors" and advanced training and retraining programs.



III. Main Implementation Strategy (8/10)

Main Implementation Strategy 2 Talent Cultivation, Promotion, and Industrial-Academic Cooperation

- Campaigns for increasing people's knowledge of trusts:
 - ✓ Enhance the knowledge of financial services for the elderly, people with **dementia and disabilities**.
 - ✓ Organize training courses for trust supervisors.
 - ✓ Continue to organize promotional campaigns for institutions, organizations, and schools, produce promotional short videos and print promotional materials to continue to increase people's knowledge of trusts and enhance citizens' understanding of trusts.
- Enhance industrial-academic cooperation for trusts:
 - ✓ Promote the "Campus Trust Development Plan" to enhance students' knowledge of trusts during their studies and cultivate future trust talents.
 - ✓ Continue to 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 for those with satisfying academic performance.



III. Main Implementation Strategy (9/10)

Main Implementation Strategy 3 Cross-Industry Alliances

- Promote cross-industry collaboration for trust enterprises and improve related measures for the friendly treatment of the elderly and customers with dementia.
- Continue to expand the partners and partner projects of the Trust Enterprise Cross-Industry Alliance Partner Database.
- Continue to implement cross-industry collaboration with social welfare organizations, elderly care organizations, and medical institutions.
- Continue to encourage trust businesses to use innovative marketing or integrated product sales models such as "cross-industry alliance services", "cross-industry referral marketing", or "integrated marketing of trusts or financial products" and include them as evaluation items of institutional evaluations, or **add the "Best Trust Alliance Award"**.



III. Main Implementation Strategy (10/10)

Main Implementation Strategy 4 Evaluation and Reward Mechanisms

- The FSC has established the "Evaluation and Reward Mechanisms for the Implementation of Trust 2.0 Plan by Trust Enterprises" to encourage trust enterprises to actively invest suitable resources to enhance the functions of the trust department and develop comprehensive trust services. The FSC shall continue to formulate evaluation and reward mechanisms to provide incentives and reward trust enterprises and high-performing employees. Their performance and outstanding records will be disclosed to the public for trust enterprises to learn from each other.



金融監督管理委員會

FINANCIAL SUPERVISORY COMMISSION, R.O.C.

End of Presentation
We welcome your comments