



**金融監督管理委員會**  
**Financial Supervisory Commission**

## **Press Release**

# **FSC's "Trust 2.0 Phase 2 Plan" Helps Trust Enterprises Provide Trust Services for All Stages of Life**

**September 29, 2022**

The Financial Supervisory Commission (FSC) published Phase 2 of the Trust 2.0 "Comprehensive Trust" Implementation Plan (hereinafter referred to as the Trust 2.0 Phase 2 Plan) today to continue enhancing trust service functions, increase the importance of trust services in society, use trusts to help the people implement asset management, and ensure economic security, thus creating a stabilizing force in society.

The Trust 2.0 "Comprehensive Trust" Implementation Plan (hereinafter referred to as the Trust 2.0 Plan) has achieved great results since its launch on September 1, 2020, and the range of eligible cross-industry alliance partners has been expanded from related industries to include lawyers and accountants. The laws, regulations, and self-regulatory rules now require that when considering the remuneration of trust business personnel and conducting unit performance assessments, a company must take into consideration how much the trust system has contributed to the promotion of integrated business. Training courses and certification programs have been organized for financial advisors for seniors and family trust advisors.



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The joint efforts of trust enterprises have resulted in qualitative and quantitative growth in elderly care trusts and employee benefit trust.

Due to changes in the population structure and social environment in Taiwan, trust businesses must be adjusted to respond to socioeconomic developments and satisfy the needs of customers in different stages of life. Therefore, the FSC proposed the following "three major core objectives" in the Trust 2.0 Phase 2 Plan on the basis of the comprehensive trust business development set forth in the aforementioned Trust 2.0 Plan to encourage and empower the progression of trust services.

(I) Trust services for satisfying needs in all stages of life:

1. 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 as a core objective of the Trust 2.0 Phase 2 Plan to enhance property security for people with dementia and satisfy their future financial needs.
2. Trust services for supporting companies' employee pension reserve (employee benefit trust): As Taiwan will soon become a super-aged society, the Trust 2.0 Phase 2 Plan will be



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expanded to help companies organize employee welfare trusts as the third pillar for enhancing the pension reserve, which will help citizens with future wealth accumulation and wealth management plans in their retirement.

3. Trust services for protecting the rights and interests of home buyers (pre-sale house trust mechanisms): Government institutions must enhance the security of home purchase transactions and reduce disputes in pre-sale houses transactions. 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 Ministry of Interior, the FSC, and trust enterprises must work together to strengthen and implement these trusts to protect the rights and interests of buyers of pre-sale houses. The FSC also included the enhancement of the trust mechanisms for pre-sale houses as a core objective in the Trust 2.0 Phase 2 Plan to help enhance the protection of people's rights in home purchases.

(II) Expansion and intensification of cross-industry alliances for trusts:

1. The Trust Association has implemented four major cross-industry collaboration projects, including elderly care trusts, 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 Trust 2.0



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Phase 2 Plan will encourage trust enterprises to continue to expand cross-industry collaboration categories and partners.

2. To improve related measures for the friendly treatment of the elderly and customers with dementia, the Trust 2.0 Phase 2 Plan 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.

(III) Enhance the knowledge and understanding of trust services for the elderly, people with dementia and disabilities:

As population aging accelerates and birthrates decline, 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.



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The FSC's Trust 2.0 Phase 2 Plan will be implemented from September 1, 2022 to December 31, 2024 (a possible extension will be reviewed and considered upon expiry). To meet the three major core objectives described above, the FSC shall implement the following 12 important measures in the four main themes including "regulations and business development," "talent cultivation, education, and industry-academia cooperation," "cross-industry alliances," and "evaluation and reward mechanisms":

- (I) Continue to guide enterprises in gradually increasing the functions and improving the organizational structure of the trust department: Encourage and guide enterprises in implementing internal organizational adjustments, establishing a trust business development strategy unit to enhance trust business functions, conducting regular reviews on the reasonableness of trust business development strategies, staffing, authority and responsibilities, resources, and annual targets, and proposing business development recommendations to provide a full range of services through trusts and financial instruments.
- (II) Formulate and correct related legislation to enhance the management of real estate investment trusts (REITs): Based on past practices, formulate and correct related self-regulatory rules for disputes regarding procedures for the conduct of beneficiaries' meetings to enhance the management of REITs. Once the amendment of the Securities Investment Trust and



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Consulting Act is passed, REITs will be issued on a dual-track system in which market participants can choose to issue them under the trust framework of the Real Estate Securitization Act or under the fund framework of the Securities Investment Trust and Consulting Act. The FSC shall formulate response measures for possible issues in the transformation of REITs under the trust framework to funds.

- (III) Continue to coordinate and enhance pre-sale house trust mechanisms: To reduce disputes in pre-sale house transactions and enhance the protection of buyers' rights and interests, the FSC issued an official letter to the Ministry of the Interior in June 2022 to review and adopt recommendations for related enhanced measures proposed in the research report commissioned by the Trust Association. The FSC will continue to communicate and coordinate with the Ministry regarding related measures.
- (IV) Formulate family trust legal framework and taxation environment: The Trust Association has proposed related recommendations in March 2022 to help the trust industry develop family trust businesses and resolve family property succession issues. The FSC will continue to communicate and discuss with related government agencies (including the Ministry of Justice and the Ministry of Finance) and handle related matters with relevant government agencies.



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- (V) Encourage companies to provide employee benefit trust: To spur more companies to establish employee benefit trust, the FSC will continue to encourage financial institutions under its jurisdiction, to set up employee benefit trust. 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.
- (VI) Amendment of self-regulatory rules to include guidelines for the provision of financial services to demented individuals: 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 handle 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 include guidelines in self-regulatory rules as reference for employees of financial institutions.
- (VII) Enhance the knowledge and understanding of financial services for elderly, people with dementia and disabilities: The FSC will help financial institutions learn more about people with dementia and evaluate the transactions that may be implemented based on their capacity for financial transactions. The FSC will



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continue to increase people's awareness and enhance their knowledge and understanding of trust services for elderly, people with dementia and disabilities to help them make use of the trust system and ensure the security of their assets.

- (VIII) Promotion of related certification systems and advanced training and retraining programs: The FSC requested the Trust Association to develop on-the-job training programs for "financial advisors for seniors" and "family trust advisors" to continue to enhance the integration of trusts and cross-industry professional practices. The Trust Association will also develop advanced certification systems to encourage advisors to continue the enhancement of professional competencies for trust businesses.
- (IX) Assist in organizing training programs for trust supervisors: To ensure that social welfare organizations can serve as trust supervisors when the appointment of trust supervisors is required for elderly care trusts for the elderly and people with disabilities and when related issues must be resolved, the FSC shall request the Trust Association to help plan and organize training programs for social welfare organizations to serve as trust supervisors so that more social welfare organizations have the capacity to serve as trust supervisors.
- (X) Enhance industrial-academic cooperation for trusts and promote the "Campus Trust Development Plan": The FSC shall request the





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Trust Association to plan and implement diverse activities and help students learn about trusts during their time in school. The FSC shall also continue to encourage universities and colleges to offer professional courses on trust laws and trust businesses, provide information on the supply of and demand for professionals that specialize in trusts, encourage trust enterprises to provide after-school internship opportunities for students, and provide employment opportunities for those with strong academic performance.

- (XI) Promote cross-industry collaboration for trust enterprises and improve related measures for the friendly treatment of the elderly and customers with dementia): Encourage 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.
- (XII) Set up evaluation schemes to reward trust enterprises and high-performing employees: Continue to implement evaluation and reward mechanisms to provide incentives and reward trust



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enterprises and high-performing employees. Their performance and outstanding records will be disclosed to the public for trust enterprises to learn from each other.

The FSC states that the nature of trusts can help them become a critical part of banks' sustainable development. The objective of the FSC's Trust 2.0 Phase 2 Plan is to help trust enterprises continuously provide customized trust services for different customers in different stages of their life. The FSC aims to help disadvantaged groups make good use of the trust system to increase the significance and value of inclusive finance, and leverage the partnerships between government agencies, industries, and organizations to create a better future with trusts.

The Trust 2.0 Phase 2 plan, presentation, and the Information Pack are provided in the attachments.