



Financial Markets in  Taiwan

Financial Supervisory Commission
2012



Outline



Snapshot of Economy



The FSC and The SFB



Taiwan Capital Markets



Important Financial Measures



Future Outlook



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Data from Accounting and Statistics, Executive Yuan.

Taiwan Economy

- **Population: 23 million**
- **2012 GDP Growth Rate : 1.66%**
- **2012 GDP : US\$20,222 per capita**
- **2012 CPI Change Rate : 1.93%**
- **2012.9 Unemployment Rate : 4.32%**

19th Largest Economy in the World

Advanced Technology Industry
Plays a Key Role in the Global
Economy

acer®



htc
quietly brilliant.

FOXCONN



Financial Supervisory Commission, Taiwan

Excellent investment environment

- **2012 IMD World Competitiveness: 7th**
- **2012 WEF Global Competitiveness : 13th**
- **2012 BERI Overall investment environment : 4th**
- **2013 The World Bank and IFC Doing Business : 16th**
- **2012 Foreign exchange reserves : US\$ 398billions, ranked 6th worldwide**

2012 IMD World Competitiveness

Rank 2012	Rank 2011	Country	Score 2012
1	1	Hong Kong	100.00
2	1	USA	97.75
3	5	Switzerland	96.68
4	3	Singapore	95.92
5	4	Sweden	91.39
6	7	Canada	90.29
7	6	Taiwan	89.96
8	13	Norway	89.67
9	10	Germany	89.26
10	8	Qatar	88.48
11	14	Netherlands	87.16
12	11	Luxembourg	86.05
13	12	Denmark	84.88
14	16	Malaysia	84.22
15	9	Australia	83.18
16	28	UAE	82.49
17	15	Finland	82.47
18	20	United Kingdom	80.14
19	17	Israel	78.57
20	24	Ireland	78.47





Snapshot of Economy

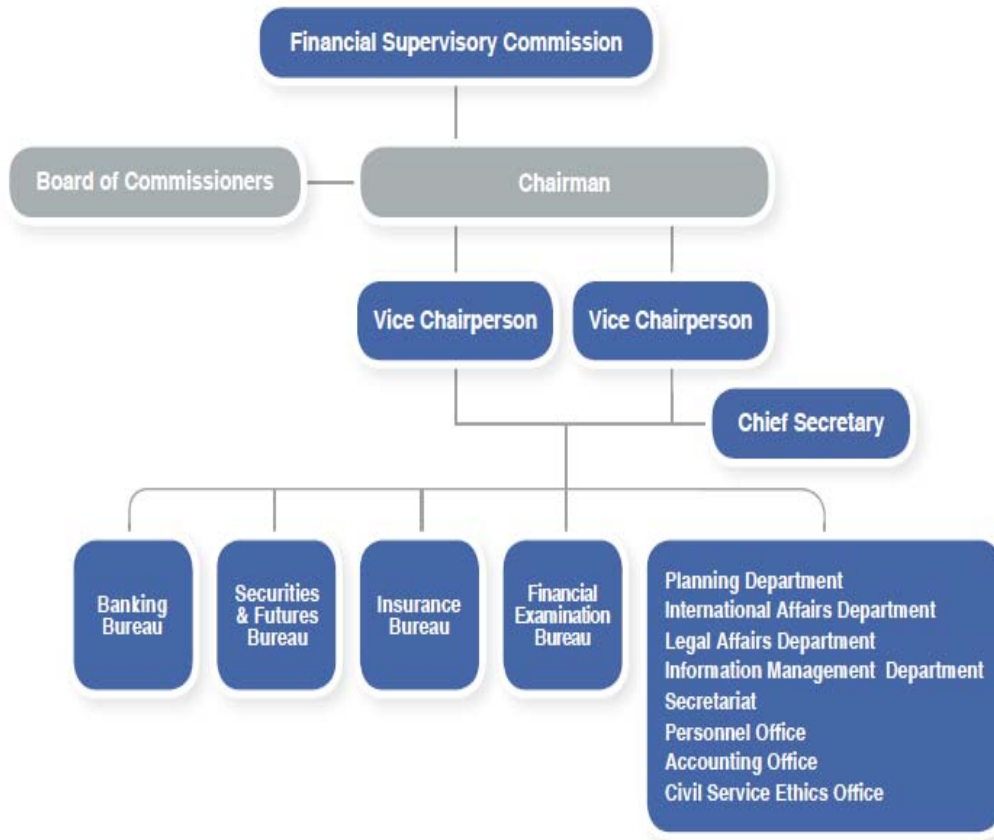
 The FSC and The SFB

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FSC Organization



Background

- Established on 1st July 2004
- Consolidates financial supervision of insurance, securities, futures and banking affairs

Organization Structure

- Chairperson, 2 Vice Chairpersons
- 6-12 commissioners
- 4 Departments, 4 offices
- 4 Bureaus-- Banking Bureau, **Securities and Futures Bureau**, Insurance Bureau and Financial Examination Bureau



SFB's Role



Fostering development of capital market and encouraging fund raising through public offering
Improving operation of securities and futures markets and ensuring a fair and efficient market environment
Promoting development of securities services industries and facilitating the flow from savings into investment
Regulating certified public accountants and enhancing professional standards

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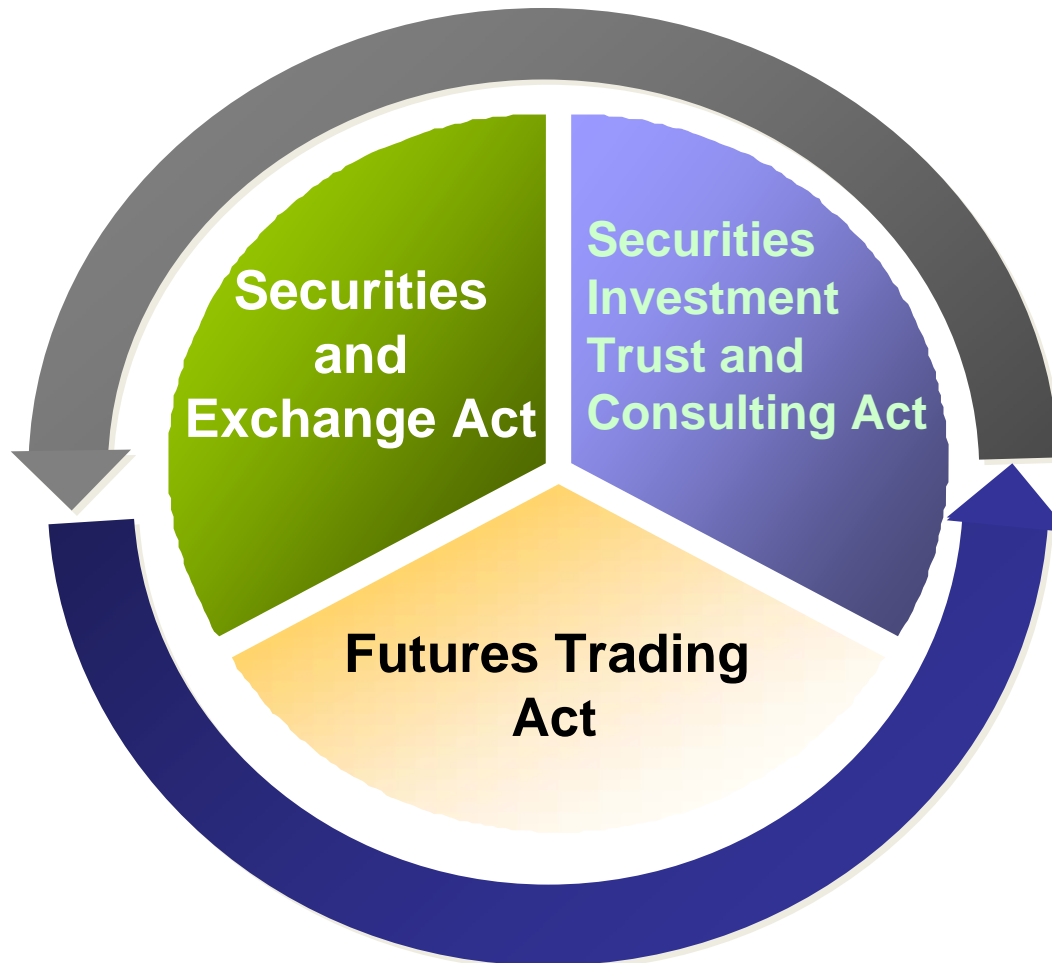
Taiwan Capital Markets

Important Financial Measures

Future Outlook

Major laws governing capital markets

Financial Consumer Protection Act



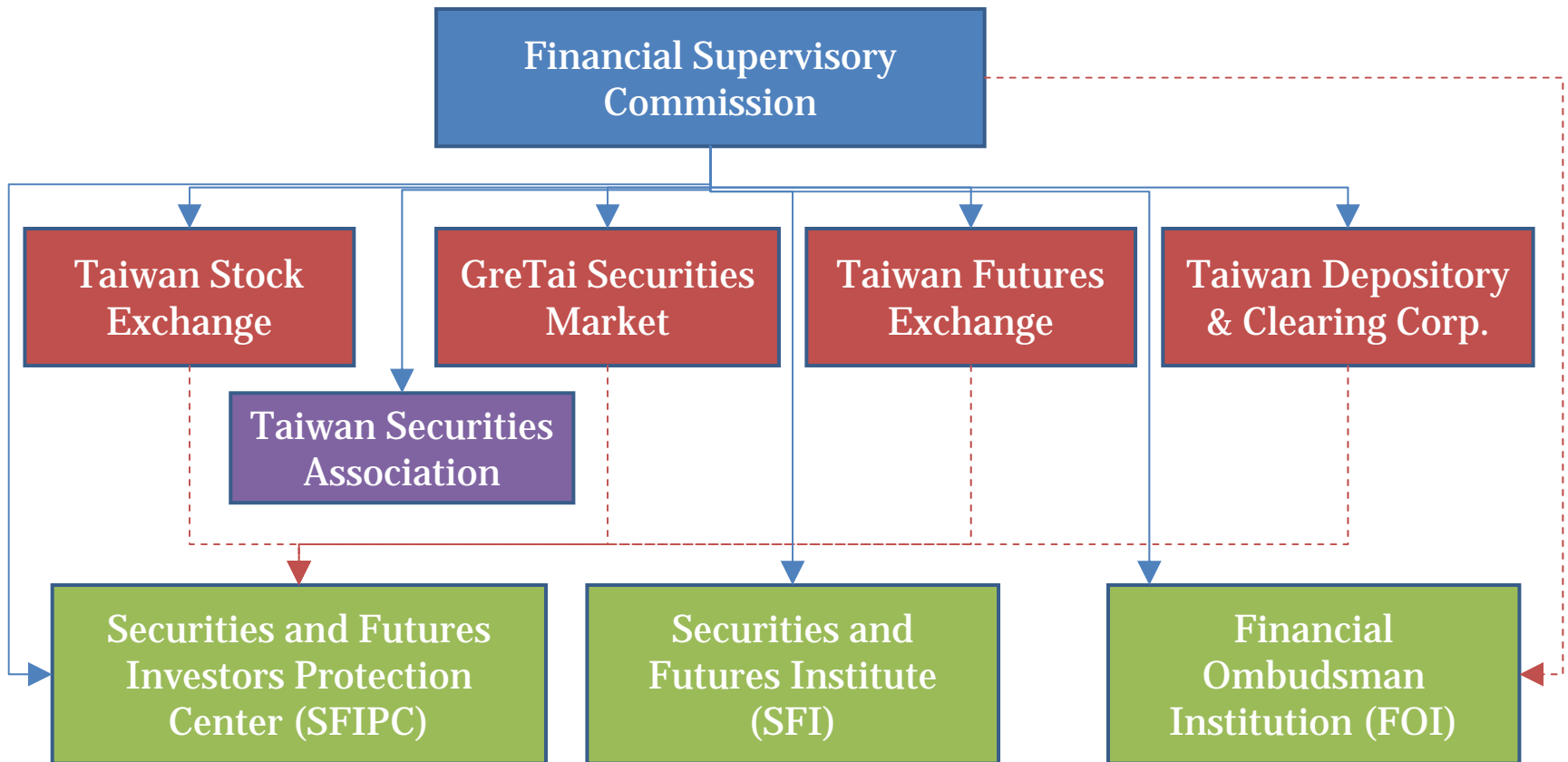
Securities Investor and Futures Trader Protection Act



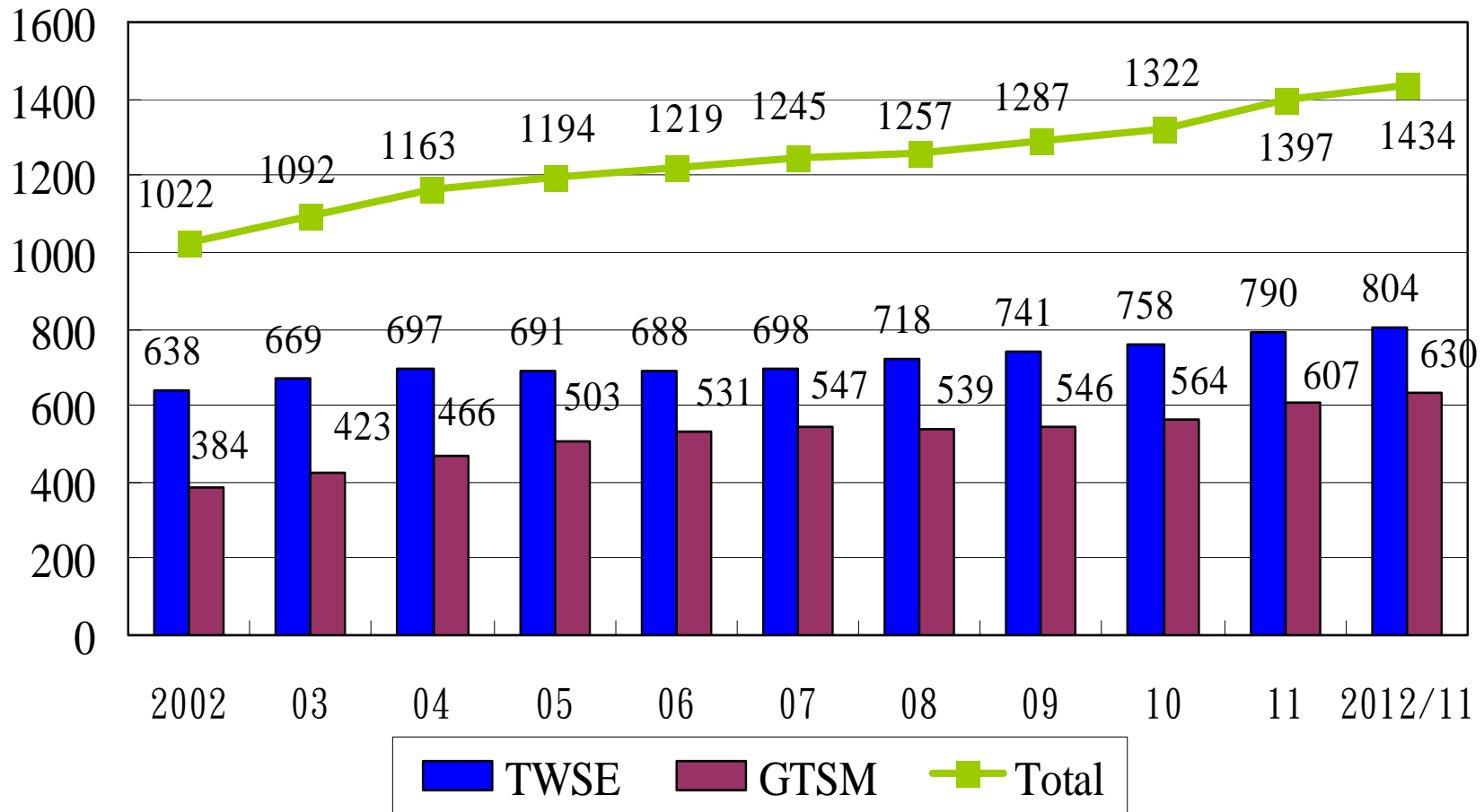
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Taiwan Capital Markets Structure

- Governing
- - - Donating

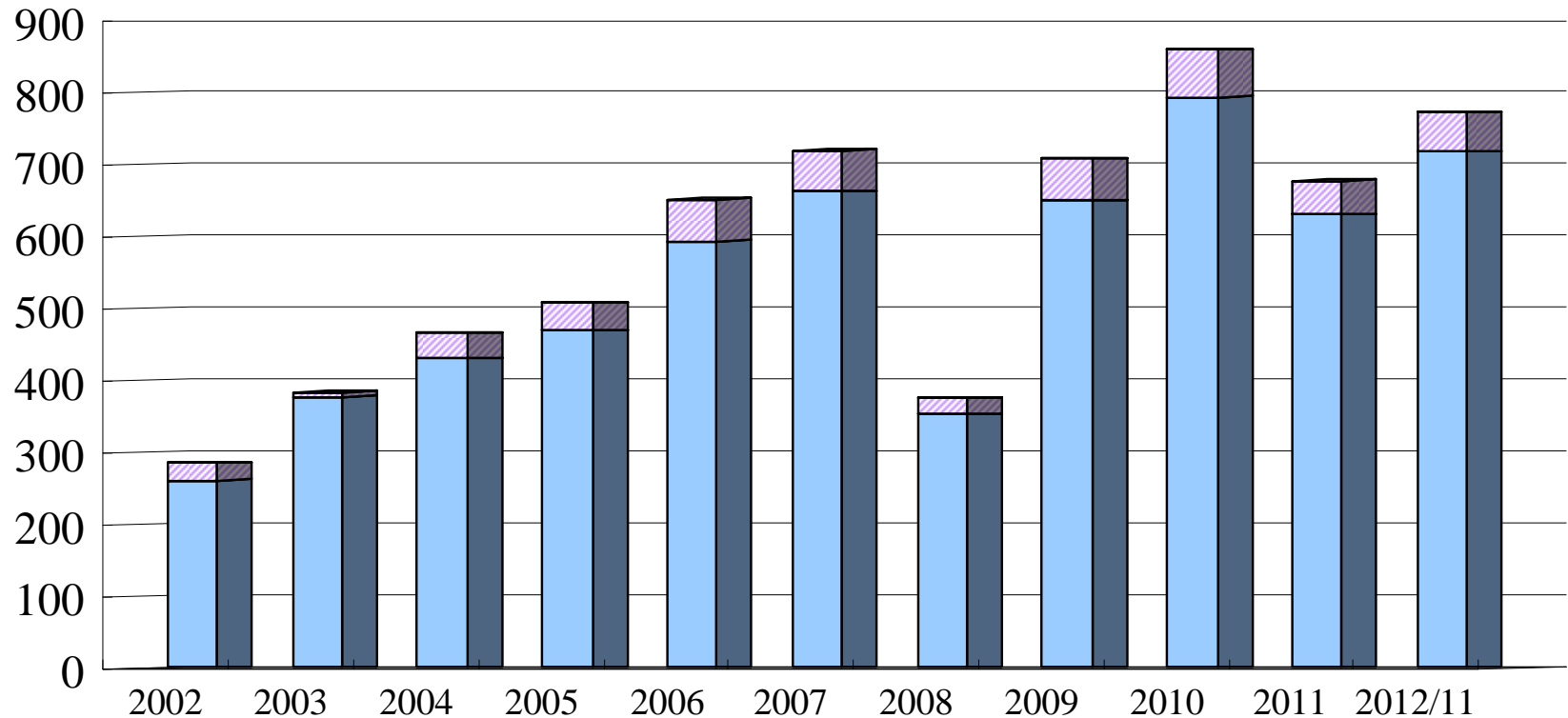


Number of Listed Companies



Securities Markets Capitalization

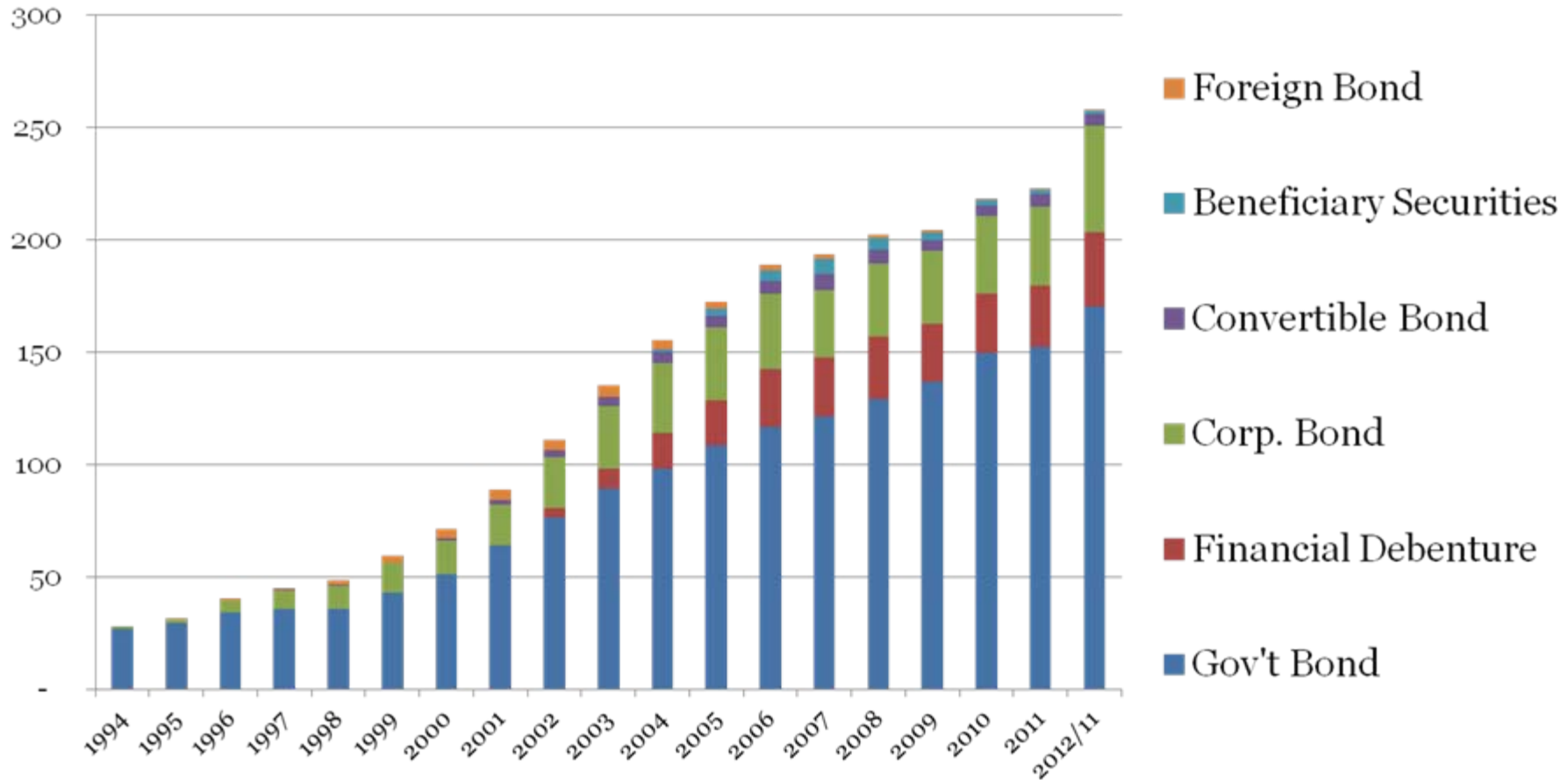
Unit: Billion USD



■ TWSE ■ GTSM

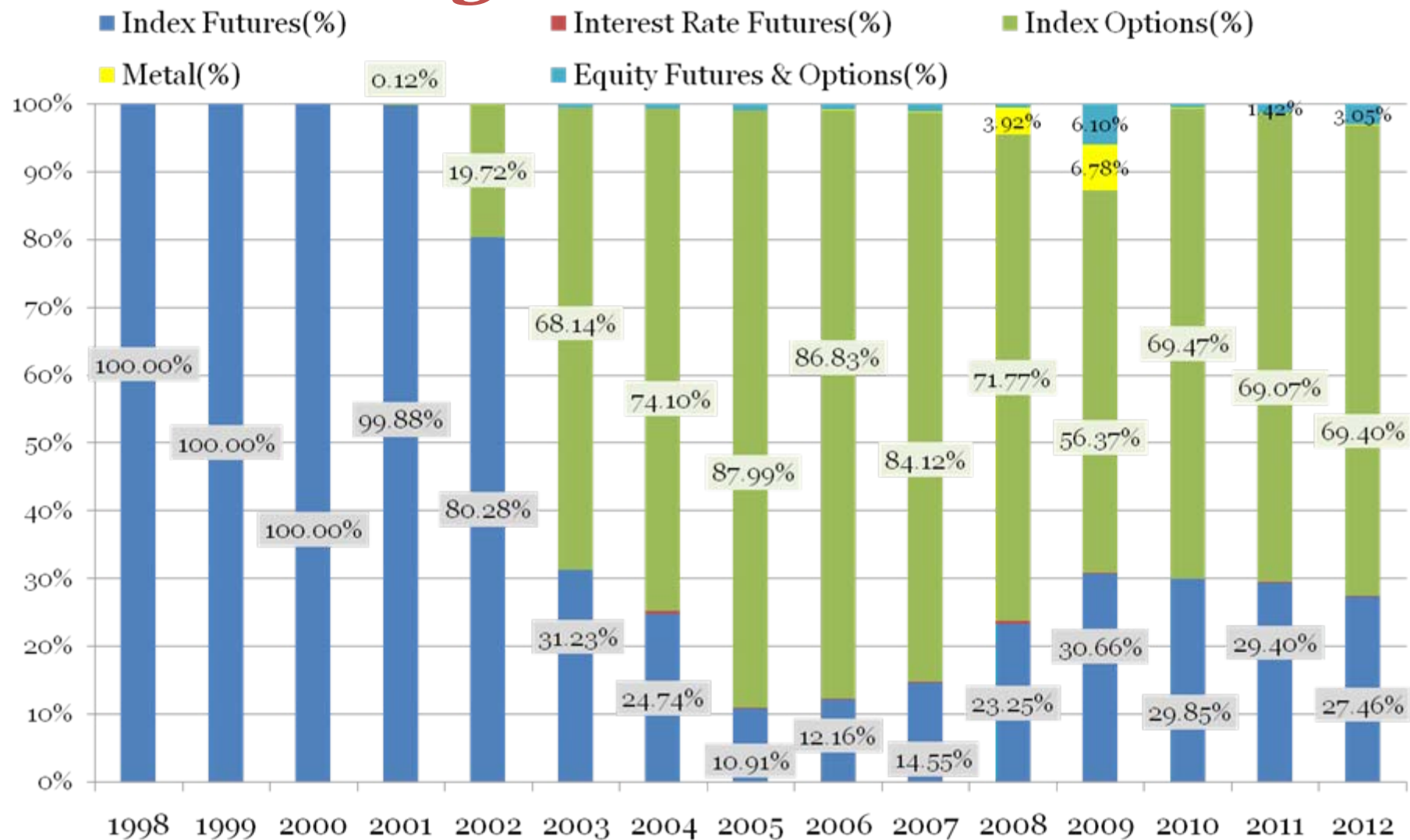
Bond Markets

Unit : Billion USD



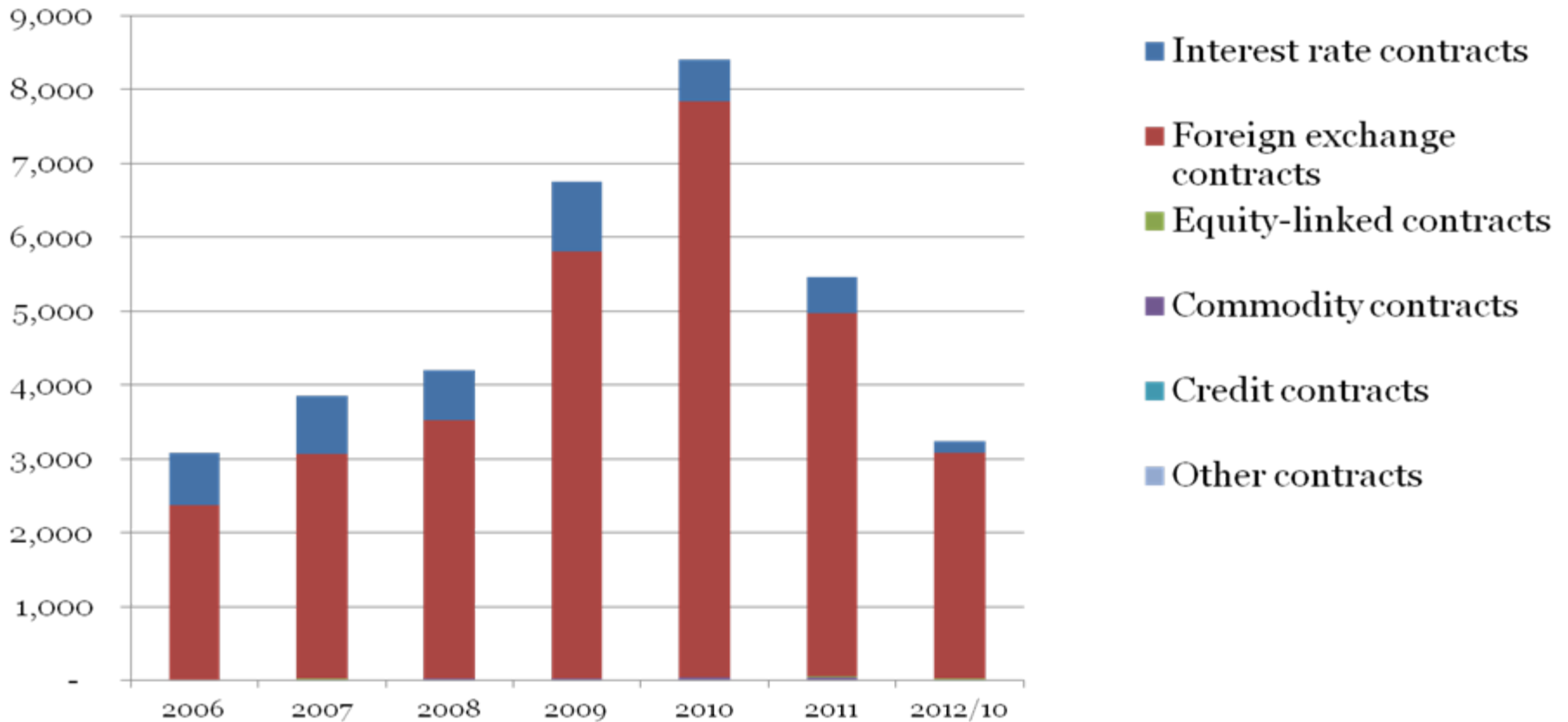
Source: GTSM

Exchange-Traded Derivatives



OTC Derivatives

Unit : Billion USD



Source: GTSM

Capital Markets Participants

Market Participants	2012.11
Securities Firms	120
Securities Investment Trust	38
Securities Investment Consulting	110
FCMs	50
Managed Futures Enterprises	8
Futures Trust	11
Futures Advisory	35

Source: Indicators of Securities & Futures Market, Taiwan



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Supply Side

Fund-raising
Platform for Hi-tech
and Innovative
Industries

Building Cross-Strait
Characteristics
Products-RMB Product

TAIWAN CAPITAL MARKETS



Demand Side

Taiwan Centered
Personal Financial
Planning Platform

Intermediaries Side

Offshore
Securities
Unit

Offshore
Banking
Unit

Corporate Governance



- Independent Directors
- Remuneration Committee
- Auditing Committee
- E-Voting & Split Voting
- Voting by Poll

Investor's Protection



- Financial Consumer Protection Act
- Securities Investors and Futures Act
- Financial Education
- Collaboration with financial industry and SROs

Internationalization



- Foreign Companies Listing
- XBRL
- IFRS
- IOSCO Contribution
- IFIAR Participation



Important Measures (I)

Corporate Governance

- **Independent Directors**
- **Remuneration Committee**
- **Audit committee**
- **E-voting and split voting**
- **Voting by poll**



Important Measures (II)

Investors' Rights Protection



- **Financial Consumer Protection Act (FCPA) and Financial Ombudsman Institution (FOI)**
- **Securities Investors and Futures Traders Protection Act and Securities and Futures Investors Protection Center (SFIPC)**
- **Financial education**
- **Collaborations with financial industry and SROs**

Important Measures (III)

Internationalize Market

- **Encouraging foreign enterprises' listing**
 - IFRS
 - XBRL
- **IOSCO Contribution**
 - **Committee 1**
(Committee on Issuer Accounting, Auditing, and Disclosure)
 - **Committee 6** (Committee on Credit Rating Agencies)
 - **Task Forces**
- **IFIAR Participation**





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Financial Services Development



GOLDEN DECADE



Financial Services Development

**Financial services with
special cross-strait
characteristics**

**Taiwan-centered
Financial Planning
Platform**



Financial Services Development

**Financial
Services
with
Special
Cross-strait
Characteristics**

**Make use of cross-strait economic and
trade activities as a foundation**

**Financial
Institution's
Businesses
In
China**

**RMB
Products
in
Taiwan**

**Offshore
Securities
Unit
Services**



Financial Services Development

**Taiwan-
Centered
Personal
Financial
Planning
Platform**

**Better services, wider range products
for investors**

**Products
Scopes
increasing
(e.g. RMB
products)**

**Loosening
constraints
on Mutual
Funds and
Structured
Products**

**Asset
Managing
Techniques
Enhancing**

**Talents
Attracting
and
Retaining**

