

## 2020 Evaluation Results of Individual Projects

### Controlled by the Securities and Futures Bureau(SFB)

#	Authority (Division)	Project Title	Evaluation Opinions	Grade
1	SFB ( Corporate Finance Division)	continue developing the international bond market	<p>1. Project Management: The implementation progress of this plan was reported on schedule, and the quarterly performance objectives have been achieved on time. Relevant administrative operations were properly controlled.</p> <p>2. Performance: Each target numbers of project goals set for 2020 was reached with good performance. Major achievements were as the following:</p> <p>(1) 195 international bonds have been issued with a total amount of NT \$1,792.951 billion.</p> <p>(2) The TPEX has adjusted the propaganda way on the internet to response the pandemic-prevention policies.</p> <p>(3) Outsourcing researches about the impact and influence of total loss absorbing capacity (TLAC) rule and the feasibility to issue project bonds, have been taken by the TPEX.</p> <p>3. Recommendation: The scale of international bond market expands year by year. The issuers and</p>	outstanding

#	Authority (Division)	Project Title	Evaluation Opinions	Grade
			<p>products are also becoming more diversified. To enhance the competitiveness of the international bond market, FSC will continue supervising the TPEX to attract more foreign issuers and investors to participate the market by diversifying products and strengthening investor protection.</p>	
2	SFB (Securities Firms Division)	Internationalizing securities and futures markets as well as enhancing the competitiveness of the securities firms	<p>1. Project Management: Except for being behind in the first quarter, the yearly progress was in line with the project. The progress management needs to be advanced.</p> <p>2. Performance: Each target numbers of project goals set for 2020 was reached with good performance. Major achievements were as the following:</p> <p>(1) Taiwan securities market has implemented "continuous trading system" and "intraday odd-lot trading system" on 23 March and 26 October in 2020 respectively.</p> <p>(2) TWSE and TPEX have amended the regulations to enhance the TWSE- and TPEX-listed companies to disclose material information in English sequentially.</p>	outstanding

#	Authority (Division)	Project Title	Evaluation Opinions	Grade
			<p>(3) FSC issued amendments to the “Regulations Governing Securities Firms Accepting Orders to Trade Foreign Securities” and the “Directions for the Conduct of Wealth Management Business by Securities Firms”, and additionally issued three related orders.</p> <p>(4) In 2020, securities and futures peripheral organizations held international exchange activities, and entered into nine cooperation projects with foreign counterparties.</p> <p>3. Recommendation: In order to enhance international visibility and competitiveness of domestic securities and futures market, please continue to promote new developments in securities market, supervise peripheral organizations to hold international conferences and activities, strengthen cooperation with foreign securities and futures institutions, so as to overall increase the degree of internationalization of the securities and futures market.</p>	
3	SFB (Securities Trading)	Strengthening the protection of investors' rights,	<p>1. Project Management: The implementation progress of this plan was reported on schedule, and the</p>	outstanding

#	Authority (Division)	Project Title	Evaluation Opinions	Grade
	Division)	improving the securities trading system and actively implementing the surveillance of stock trading to ensure market discipline.	<p>quarterly performance objectives have been achieved on time. Relevant administrative operations were properly controlled.</p> <p>2.Performance:</p> <p>Each target numbers of project goals set for 2020 was reached with good performance. Major achievements were as the following:</p> <p>(1) The FSC has supervised the SFIPC to file 23 class action suits and attended 65 share-holders’ meetings, and amended to “Securities Investor and Futures Trader Protection Act”.</p> <p>(2) The FSC has supervised the TDCC to hold on-line sessions of “Shareholder Services Education Seminar” and “Power of Attorney Education Seminar” and to amend the “Standards for the Internal Control System of Shareholder Services Unit”, in order to strengthen the management of shareholders meetings and the administration of shareholder services. The FSC amended the ”Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies” Article 5 to enhance the sound system of the using</p>	

#	Authority (Division)	Project Title	Evaluation Opinions	Grade
			<p>of proxies.</p> <p>(3) The FSC has supervised the TWSE and TPEX to host 10 sessions of "Prevention of Illegal Transactions Seminar", to hold 8 sessions in total of "Securities and Futures Cross-market Surveillance Seminar" and "Illegal Transaction Review Panel Discussion Meeting".</p> <p>3.Recommendation:</p> <p>Strengthening the protection of investors' rights, supervising the Investor Protection Center to strengthen the protection of the rights and interests of securities investors and futures traders, and implementing the stock market surveillance system and investigating illegal transactions to maintain market transaction fairness.</p>	
4	SFB (Securities Investment Trust and Consulting Division)	Relaxing the restrictions and regulations related to Securities Investment Trust Funds, in order to enhance the competitiveness of the securities market, and	<p>1.Project Management:</p> <p>The implementation progress of this plan was reported on schedule, and the quarterly performance objectives have been achieved on time. Relevant administrative operations were properly controlled.</p> <p>2.Performance:</p> <p>Each target numbers of project goals set for 2020 was reached with good</p>	outstanding

#	Authority (Division)	Project Title	Evaluation Opinions	Grade
		improve the development of domestic asset-management industry.	<p>performance. Major achievements were as the following:</p> <p>(1) Loosening the relevant regulations of securities investment trust and consulting business and improve the development environment of domestic asset-management industry. The FSC issued 7 relevant decrees in 2020.</p> <p>(2) Supervising the Securities and Futures Institute’s proper operation of the “Talent Training and Industry Development Fund” in order to advocate asset management talent training and related seminars (25 projects in total). In 2020, the Fund provided training to 2,273,070 persons. (The number of participants in Investor Education-LINE Points for Watching Movies is 1,941,709.)</p> <p>3. Recommendation:</p> <p>The FSC will continue to understand the development of the securities investment trust and consulting industry, and complete the relevant laws and regulations. Also, the FSC will advocate asset management talent training, promote investor education, boost industry development and enhance investor protection.</p>	

#	Authority (Division)	Project Title	Evaluation Opinions	Grade
5	SFB (Accounting and Auditing Supervision Division)	Enhancing the transparency of corporate financial information, keeping accounting and auditing supervision regulations in line with international standards.	<p>1.Project Management: The implementation progress of this plan was reported on schedule, and the quarterly performance objectives have been achieved on time. Relevant administrative operations were properly controlled.</p> <p>2.Performance: Each target numbers of project goals set for 2020 was reached with good performance. Major achievements were as the following:</p> <p>(1) To keep pace with PCAOB and other audit regulators, the FSC inspects CPA firms annually and releases inspection report. In 2020, the FSC has revised the formats and substantially expanded the contents of the report into Audit Oversight Report.</p> <p>(2) Amended “Regulations Governing Approval of Certified Public Accountants to Audit and Attest to the Financial Reports of Public Companies”, and acknowledged the “Practical Guidances of the Joint CPA firm’s Quality Control System”.</p> <p>(3) Compiled more than 60 IFRSs adopted in Taiwan in 2020, accomplished difference analysis between 2019 and</p>	outstanding

#	Authority (Division)	Project Title	Evaluation Opinions	Grade
			<p>2020 IFRSs, translated newly issued (or amended) standards into traditional Chinese, and combined IFRSs with operational practice in order to draft guidance or FAQs of accounting practical issues.</p> <p>3. Recommendation:</p> <p>To enhance the transparency of corporate financial information, and to keep accounting and auditing supervision regulations in line with international standards, it is advised that Taiwan's adoption of accounting standards should be in step with IFRSs, and assistance should be provided to companies in adopting IFRSs. It is also advised that audit quality should continue to improve and CPA firms should be supervised by the SFB to implement quality control systems.</p>	
6	SFB (Futures Trading Division)	Improving the efficiency of the futures market, expanding the scope of the futures industry and ensuring the security of transactions.	<p>1. Project Management:</p> <p>The implementation progress of this plan was reported on schedule, and the quarterly performance objectives have been achieved on time. Relevant administrative operations were properly controlled.</p> <p>2. Performance:</p> <p>Each target numbers of project goals set</p>	outstanding



#	Authority (Division)	Project Title	Evaluation Opinions	Grade
			<p>for 2020 was reached with good performance. Major achievements were as the following:</p> <p>(1)The FSC has supervised the TAIFEX establishing dynamic price stabilization measures for ETF Futures and FX Futures, and conducting explanation meetings before measures setting out.</p> <p>(2)The FSC has supervised the TAIFEX accomplishing the draft "Taiwan Futures Exchange OTC Derivative Clearing Operating Rules", and consulting professional input. The draft was approved by the FSC 14 October 2020, The TAIFEX also conducted explanation meetings of centralized settlement mechanism for over-the-counter derivatives.</p> <p>(3)The FSC has supervised the TAIFEX launching F4G TIP TW ESG Index Futures, TIP Taiwan Bio Futures and FTSE 100 Futures.</p> <p>3. Recommendation:</p> <p>In order to enhance the futures market efficiency and market participation, it is advised that the development of the futures market should be tracked sequentially and new measures or products should be introduced timely to</p>	

#	Authority (Division)	Project Title	Evaluation Opinions	Grade
			strengthen the efficiency of the futures market and enhance international competitiveness.	