

2021 Evaluation Results of Individual Projects Controlled by the Financial Supervisory Commission (FSC)

#	Authority (Department)	Project Title	Evaluation Opinions	Grade
1	FSC (Banking Bureau, BB)	Provide diverse financial services to support economic development	<p>1. Project management: The BB submitted quarterly progress reports of project execution on schedule and completed all proposed tasks on time. It also properly managed relevant administrative operations.</p> <p>2. Performance: All 2021 targets were reached with good performance. Major achievements were as follows: (1) With regard to small and medium enterprise (SME) financing, the outstanding loans by domestic banks as of the end of 2021 stood at NT\$8,688.7 billion, up by NT\$876.3 billion compared to the end of 2020. (2) With regard to financing for key innovative industries, the outstanding loans by domestic banks as of the end of 2021 stood at NT\$5,788.6 billion, up by NT\$428 billion compared to the end of 2020. (3) The average NPL ratios of loans extended by domestic banks to SMEs and key innovative industries were both lower than 0.4%, achieving the goal.</p> <p>3. Recommendations: (1) Performance in the implementation of the "Program to Encourage Lending by Domestic Banks to Enterprises in Key Innovative Industries" and the "Program to Encourage Lending by Domestic Banks to Small and Medium Enterprises" were affected by the</p>	outstand ing

#	Authority (Department)	Project Title	Evaluation Opinions	Grade
			<p>actual capital needs of enterprises and the actual lending decisions of banks. During the COVID-19 epidemic in 2021, banks had provided loans to enterprises in accordance with public relief and stimulus plans that did alleviate enterprises' difficulties. Given the recurrence of COVID-19 outbreak and continuous support aligning public relief plans, the FSC will continue to pay attention to banks' data such as NPL ratios for the sake of ensuring credit quality and risk management.</p> <p>(2) This project was implemented by schedule, but the submission of the plan was slightly delayed and the content was revised. The BB is advised to be mindful on schedule when implementing the project, and on information disclosure where status of each check points should be clearly explained.</p>	
2	FSC (Securities and Futures Bureau, SFB)	Constructed a diversified capital raising environment and expanded the scale of the capital market	<p>1. Project management: The SFB submitted quarterly progress reports of project execution on schedule and completed all proposed tasks on time. It also properly managed relevant administrative operations.</p> <p>2. Performance: All 2021 targets were reached with good performance. Major achievements were as follows: (1) The number of new applicant companies for listing on the Go Incubation Board for Startup and Acceleration Firms (GISA) was 46. (2) The Taiwan Stock Exchange (TWSE) and Taipei Exchange (TPEX) carried out 210 on-site visits</p>	outstanding

#	Authority (Department)	Project Title	Evaluation Opinions	Grade
			<p>and telephone interviews for recruiting domestic and foreign companies in 2021, better than the target number of 130.</p> <p>(3) 1,576 listed companies have set up audit committees, 848 companies have appointed a chief corporate governance officer, and the articles of incorporation of 1,738 companies have adopted the candidate nomination system for all elections of directors and supervisors.</p> <p>(4) Companies listed on the GISA had raised NT\$304 billion in capital.</p> <p>(5) TWSE and TPEX altogether amended 5 listing rules to enhance the listing environment.</p> <p>3. Recommendations:</p> <p>(1) The number of new applicant companies for listing on the GISA was 46 in 2021, which not only reached the project goal set for 2021 but was also the best performance in the past three years. It is advised that the SFB set more challenging project goals in the future after evaluating past performance, and the overall state of market, social and economic development.</p> <p>(2) SFB implemented the measures set out in the "Corporate Governance 3.0 - Sustainable Development Roadmap" in recent years and launched the "Sustainable Development Guidemap for TWSE and TPEX-Listed Companies" and "Strategies for Transition by Securities and Futures Enterprises to Sustainable Development," in 2022 which help promote the sustainable development and healthy growth of</p>	

#	Authority (Department)	Project Title	Evaluation Opinions	Grade
			the capital market. The SFB is advised to continuously and actively promote the above-mentioned projects to develop a capital market with distinct industrial characteristics.	
3	FSC (Insurance Bureau, IB)	Strengthened insurance enterprises' solvency and risk management	<p>1. Project management: The IB submitted quarterly progress reports of project execution on schedule. As to implementation, except for a delay in the progress of the legal compliance seminar hindered by the impact of the COVID-19 epidemic, the rest of the work was achieved on schedule, and was well administered.</p> <p>2. Performance: All 2021 targets were reached with good performance. Major achievements were as follows: (1)Held 2 seminars ("Insurance Industry Risk Management Trend Forum" and "Insurance Industry Legal Compliance Seminar") and revised the "Regulations Governing the Preparation of Financial Reports by Insurance Enterprises." (2) Amended 10 rules and regulations on the insurance solvency regime and adopted 9 necessary strengthening measures.</p> <p>3. Recommendation: (1)Due to the COVID-19 epidemic in 2021, the schedule for the "Insurance Industry Legal Compliance Seminar" was slightly delayed. The IB is advised to plan in advance to use online or other appropriate methods to had seminars in the future to ensure that the plan is implemented in accordance with pre-set check points. The IB may also</p>	outstanding

#	Authority (Department)	Project Title	Evaluation Opinions	Grade
			<p>instead handle the plan change as soon as possible in accordance with relevant regulations if a similar epidemic situation or other force majeure event happens in the future.</p> <p>(2)The IB is implementing the "New Generation Insurance Solvency Regime," and will begin phase 2 (parallel run phase) in 2022. To further strengthen solvency and risk control in the insurance industry, the IB is advised to formulate a transitional plan for the introduction of relevant systems with reference to foreign practices. It is also advised to evaluate supervision standards that conform to the operating characteristics and current industry conditions in Taiwan's insurance industry, and to review relevant supervisory laws and regulations in a timely manner.</p>	
4	FSC (Financial Examination Bureau, FEB)	Obtained better results from financial examinations and carried out more rigorous targeted examinations in line with financial market conditions	<p>1.Project management: The FEB submitted quarterly progress reports of project execution on schedule and completed all proposed tasks on time. It also properly managed relevant administrative operations.</p> <p>2. Performance: All 2021 targets were reached with good performance. Major achievements were as follows: (1) Completed 19 targeted examinations. (2)Completed a total of 346 examinations (including full-scope, commissioned, and targeted examinations). (3)Held 11 coordination meetings with financial institutions and the other FSC bureaus.</p>	outstanding

#	Authority (Department)	Project Title	Evaluation Opinions	Grade
			<p>(4)100% of examined institutions indicated in post-examination surveys that they were "satisfied".</p> <p>(5)Proposed 12 supervisory recommendations to the other FSC bureaus after analyzing results of the targeted examinations.</p> <p>3. Recommendations:</p> <p>(1) Since the pandemic situation abroad is not been alleviated, it is more difficult to go abroad to conduct on-site inspections of overseas branches. The FEB is advised to keep in good contact with host-country competent authorities and continue to track overseas branches' operation by reviewing financial business information and improving inspection methodologies.</p> <p>(2)The digital reporting and analysis platform of bill finance company was officially launched in 2021. In response to the increasing use of financial technology in various businesses in the financial industry in recent years, the FEB is advised to continue to optimize the financial digital inspection-related systems and tools, and to plan for supervisory technology training courses to enhance the professional information technology capabilities of examiners, which in turn may effectively urge financial institutions to strengthen information security measures.</p>	
5	FSC (Planning Department, PD)	Green Finance Action Plan 2.0	<p>1. Project management:</p> <p>There was a slight delay in the submission of the project content, and the review of the commissioned research mid-term report was slightly behind schedule. However, the review</p>	outstand ing

#	Authority (Department)	Project Title	Evaluation Opinions	Grade
			<p>of the final report was completed on schedule.</p> <p>2. Performance: All 2021 targets were reached. Major achievements were as follows: (1)The PD successfully completed a commissioned research report entitled "Research on the Scope of Sustainable Finance, with Reference to International Practices," and discussed the "Taiwan Sustainable Taxonomy" based on 3 industries (manufacturing; transportation and warehousing; construction and real estate) which receive relatively large investment and financing amounts from domestic financial institution. (2)There were 19 green bonds and 9 sustainability bonds, respectively, issued in 2021. The total proceeds from these 28 bond issues reached the predetermined target.</p> <p>3. Recommendations: (1)There was a slight delay in the submission of the project content, and the implementation of this project was slightly behind schedule. The PD is advised to be mindful on project management in the future in order to facilitate the implementation and promotion of the project. (2)Sustainable development is an international development trend. The FSC launched the Green Finance Action Plan 2.0 to guide enterprises to pay attention to sustainable development issues. It also took corresponding measures through mechanisms such as investment, financing, and capital raising by financial institutions, to</p>	

#	Authority (Department)	Project Title	Evaluation Opinions	Grade
			help the country move towards sustainable development. The PD is advised to implement various measures of the above-mentioned plan and improve the relevant promotion strategies so as to align the strategies with international standards and promote Taiwan's goal of achieving net zero carbon emissions by 2050.	

Self-regulation project

#	Authority (Department)	Project Title	Evaluation Opinions	Grade
1	FSC (Department of Planning)	The sixth Financial Literacy Program (110-112)	<p>1. Project management: The implementation progress of this plan was reported according to the schedule, and the quarterly performance objectives have been achieved on time. Relevant administrative operations were properly controlled.</p> <p>2. Performance: The FSC and financial peripheral institutions held more than 5,000 financial literacy activities, with more than 440,000 participants in 2021.</p> <p>(1) As of the end of 2021, members of the financial education promotion group held financial literacy activities in all 368 administrative areas in Taiwan, reaching a coverage ratio of 100%</p> <p>(2) In 2021, members of the financial education promotion group held 270 financial literacy activities</p>	outstanding

			<p>requested by government ministries and agencies, reaching an achievement rate of 100%.</p> <p>(3) In 2021, financial literacy campaign for the campus and communities attracting 69,000 participants, achieving the annual target.</p> <p>3. To promote financial literacy, the FSC will continue to implement “the sixth Financial Literacy Program”, strengthen inter-ministerial cooperation, and integrate resources across financial peripheral institutions and financial industry associations to jointly promote financial literacy.</p>	
2	FSC (FinTech Development and Innovation Center)	The FinTech Development Roadmap (2020-2023)	<p>1. Project management: The implementation progress of this plan was reported according to the schedule, and the quarterly performance objectives have been achieved on time. Relevant administrative operations were properly controlled.</p> <p>2. Performance: Under the pandemic, each objectives set for year 2021 was still achieved: (1) Established the FinTech Co-creation Platform to promote various measures of the Roadmap: 4 measures (including holding the RegTech Challenge, issuing the simplified guidance for regulatory sandbox application, planning for FinTechSpace expansion, and establishing FinTechSpace autonomous field experiment</p>	outstanding

			<p>mechanisms) have been completed as scheduled , reaching an achievement rate of 100%.</p> <p>(2) Held FinTech Taipei 2021: The original KPIs set for FinTech Taipei 2021 included physical participation of more than 20,000 visitors and more than 150 exhibitors. Due to the pandemic outbreak, the exhibition was held online instead of physically, but the KPIs were not reset accordingly. Ultimately, the online exhibition attracted more than 17,000 visitors and the 131 exhibitors, which then made up an 80% completion rate.</p> <p>3. Major tasks for future fintech development include promoting thematic regulatory sandbox and business trial project, facilitating cross-sectoral financial FIDO business trial program, formulating cross-market customer data sharing mechanisms, holding fintech awards, and establishing the fintech capability certificate mechanism.</p>	
--	--	--	---	--