

Financial Supervisory Commission (FSC) Performance Report Summary on 2022 Policy Plan

In 2022, the epidemic, war, inflation, and interest rate hikes all had a profound and extensive impact on the global economy and financial markets and made financial institutions and supervisory agencies face many challenges. Although the overall profitability of the financial industry is affected by unfavorable factors, the most important value of the financial industry lies in whether financial institutions have the ability to adapt to the situation and demonstrate resilience, whether they provide continuous and reliable services to the public, whether they can play a role as a financial intermediary to support industrial development needs, and how they fulfill their corporate social responsibilities and care for the disadvantaged. Moreover, these are also the goals that the FSC pays more attention to in policy planning. In the past year, a number of regulatory amendments have been completed, and various policies have been promoted. The FSC continued to foster prosperity by promoting major plans focusing on the development of information security, financial technology, green finance, corporate governance, digital transformation of the insurance industry, trust, and capital market development. The FSC is committed to developing a sound, fair, efficient, and internationalized financial environment.

Significant achievements of the FSC in 2022 include the following:

1. Published the "Green Finance Action Plan 3.0" and "Taiwan Sustainable Taxonomy," and formed a net-zero promotion work platform for the financial industry to deepen sustainable development and move towards the goal of a net-zero transformation.
2. Launched the "Sustainable Development Guidemap for TWSE- and TPEX-Listed Companies" to facilitate efforts by enterprises to follow and set carbon reduction targets.
3. Published the second stage of the "Trust 2.0 Plan" to continue encouraging and promoting the trust industry to provide trust services that meet people's needs at all stages of life.
4. Released the "Financial Cyber Security Action Plan 2.0", which is expected to strengthen the financial industry's information security

- protection capabilities.
5. Relaxed the "Taiwan Innovative Board" regulations to improve market liquidity.
 6. Completed the legal basis for applying for the establishment of online-only insurance companies and assisted the insurance industry with digital transformation and the research and development of innovative insurance products.
 7. Continued to promote financially friendly services, strengthened financial education and literacy, and created a digital financial environment to implement inclusive finance.

The FSC will continue to uphold the core objectives of financial supervision, implement risk-oriented supervision principles, and at the same time grasp the trends of the financial market, fully communicate with all walks of life, and develop more diversified financial businesses with a broad mind and forward-looking vision. It is also expected that financial institutions, upholding the core value of integrity, will continue to strengthen their adaptability against various challenges or contingencies in areas such as risk management, internal control, and corporate governance, and enhance their resilience. In addition, they can play a leading role to drive the net-zero transition and sustainable growth, pay attention to the needs of the elderly, physically and mentally challenged, low-income, and other vulnerable groups and young groups, and become the backbone that facilitate social stability.