

2022 Evaluation Results of Individual Projects

Controlled by the Securities and Futures Bureau(SFB)

#	Authority (Division)	Project Title	Evaluation Opinions	Grade
1	SFB (Securities Firms Division)	Internationalizing securities and futures markets as well as enhancing the competitiveness of the securities firms	<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: Project goals set for 2022 were reached with good performance. Major achievements were as the following:</p> <p>(1) The FSC has established relevant supervisory regulations for the issuance and trading of strategy ETNs, and has allowed futures and options strategy ETNs to be listed on TWSE and TPEX since April 2022.</p> <p>(2) In 2022, TWSE and other securities-related institutions have revised the internal control regulations of securities firms.</p> <p>(3) The FSC has continued participating in IOSCO (virtual) meetings, strived to share the Taiwan capital market initiatives and supervised the World Investor Week (WIW) activities in</p>	outstanding

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			<p>Taiwan so as to keep abreast of global supervisory transformation and enhance international participation.</p> <p>3. Recommendation: In order to enhance international visibility and competitiveness of domestic securities and futures market, please continue to promote new initiatives in securities market, supervise peripheral organizations to hold international conferences and activities, strengthen cooperation with foreign securities and futures institutions, so as to increase the degree of internationalization of the securities and futures markets.</p>	
2	SFB (Securities Trading Division)	Strengthening the protection of investors' rights, improving the securities trading system and actively implementing the surveillance of stock trading to ensure market discipline.	<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: Project goals set for 2022 were reached with good performance. Major achievements were as the following: (1) The FSC has supervised the SFIPC to file 30 class action suits and attended</p>	outstanding

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			<p>70 shareholders' meetings.</p> <p>(2) The FSC amended "The Regulations Governing the Administration of Shareholder Services of Public Companies", and directed TWSE to amend "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings" ,and supervised the TDCC 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.</p> <p>(3) The FSC has supervised the TDCC to host 1 Standards for the Internal Control System of Shareholder Services Unit Amendment Seminars and to host 6 solicitation of Proxies for Attendance at Shareholder Meetings seminars, in order to strengthen the advocacy of regulations.</p> <p>(4) The FSC has supervised the TWSE and TPEX to host 5 sessions of "Prevention of Illegal Transactions Seminar", to hold 7 sessions in total of "Securities and Futures Cross-market Surveillance Seminar" and "Illegal Transaction Review Panel Discussion</p>	

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			<p>Meeting".</p> <p>3. Recommendation: 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>	
3	SFB (Securities Investment Trust and Consulting Division)	Improving the operation and environment of domestic asset-management industry, and completing the relevant regulations and practice procedure.	<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: Project goals set for 2022 were reached with good performance. Major achievements were as the following: (1) To protect the interests of investors and enhance the management of offshore funds, the FSC has amended the "Regulations Governing Offshore Funds" to restrict a master agent which handles the offering and selling of offshore funds in Taioowan shall</p>	outstanding

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			<p>not represent more than five offshore fund institutions.</p> <p>(2) The FSC has amended the "Regulations Governing Information to be Published in Prospectuses by Securities Investment Trust Enterprises Offering Securities Investment Trust Funds" proposing supervisory principles for review of ESG fund disclosures to ensure that securities investment trust enterprises that issue ESG funds will all be subject to consistent disclosure framework while strengthening that the prospectus for a fund of this type more comprehensively discloses its ESG investment policy.</p> <p>3. Recommendation: The FSC will continue to understand the development of the securities investment trust and consulting industry, and complete the relevant laws and regulations, boost industry development and enhance investor protection.</p>	
4	SFB (Accounting and Auditing Supervision Division)	Enhancing the transparency of corporate financial information, keeping	<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</p>	outstanding

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		accounting and auditing supervision regulations in line with international standards.	<p>administrative operations were properly controlled.</p> <p>2. Performance:</p> <p>Project goals set for 2022 were reached with good performance. Major achievements were as the following:</p> <p>(1) The FSC Amended “Regulations Governing Establishment of Internal Control Systems by Public Companies”.</p> <p>(2) The FSC Released 2021 audit oversight report, including the results of audit firm inspection. Conducted on-site inspections of three audit firms. Additionally, released “ Guidelines for Audit Firms to Compile Audit Quality Indicators”.</p> <p>(3) The FSC Attended more than thirty IFIAR’s meetings such as board meeting, enforcement workshop, and inspection workshop (all meetings have been delivered entirely online, due to the ongoing COVID-19 pandemic).</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</p>	

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			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.	
5	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: 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: Project goals set for 2022 were reached with good performance. Major achievements were as the following:</p> <p>(1)The FSC has supervised TAIFEX launching the “OTC Derivatives Central Clearing business “ and offering TWD IRS voluntarily central clearing service for proprietary trades of clearing members.</p> <p>(2)The FSC has supervised the TAIFEX launching Taiwan Semiconductor 30 Futures and Shipping and</p>	outstanding

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			<p>Transportation Sector 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 strengthen the efficiency of the futures market and enhance international competitiveness.</p>	