

FSC 2024 Policy Plan

The FSC is the competent authority with overall responsibility for supervising, regulating, and facilitating the development of financial markets and financial services enterprises, and for conducting financial examinations. The FSC seeks to ensure the sound operation of financial institutions, maintain financial stability, and promote the development of our financial markets.

The FSC will continue to uphold the core objectives of financial supervision, implement risk-oriented supervision principles, and at the same time grasp the pulse of the financial market, fully communicate with people from all walks of life, promote more diversified development of financial business with forward-looking thinking and planning. At the same time, the FSC uses the supervision mechanism to encourage financial institutions to strengthen their adaptability and resilience from the aspects of risk management, internal control, environmental sustainability, and corporate governance under the core value of integrity, provides the public with continuous and reliable services, and uses their financial intermediary functions to support industrial development needs and fulfill corporate social responsibilities to care for the disadvantaged and continue to play a key role in promoting social stability.

In accordance with the 2024 policy guidelines of the Executive Yuan and the approved budget, the FSC has outlined its Policy Plan for 2024. This Policy Plan gives due consideration to economic and societal changes and the future development of the FSC.

A. Annual Policy Objectives and Strategies

1. Develop Taiwan as an Asian center for enterprise funding management and wealth management for high-asset customers.
 - (1) Assist domestic companies that have funding needs arising from international operations to open accounts for the purpose of handling loan-related receipts and disbursements in accordance with the Offshore Banking Act, which will enhance the convenience of fund allocations and the international competitiveness of domestic companies.
 - (2) Allow qualified banks to provide diversified financial products and consulting services to cater to high-asset customers' wealth-management needs, which will enhance the competitiveness of domestic banks in the international wealth management market, promote the transformation of the industry's business model, and spur industrial upgrading.

- (3) Expand the scope of financial business, promote diversified financial products and investment channels, and meet needs for diversified products.
 - (4) Enable the sound operation and development of the domestic asset-management business, and complete the relevant laws and regulations.
2. Promote financial technology and establish an innovation-friendly supervisory and legislative environment.
- (1) Continue promoting a dual system comprising a regulatory sandbox system and a business trial program, enhance the function of FinTechSpace, and accelerate FinTech development through activities such as the Fintech Taipei Expo/forums.
 - (2) Promote the Fintech Development Roadmap (2.0) to enhance innovation momentum, facilitate financial innovation, and strengthen the FinTech ecosystem.
 - (3) Taking balanced consideration of personal data protection, information security control, and consumer rights protection, the FSC will continue to encourage banks to provide open banking-related services to meet consumers' demand for diversified financial services.
 - (4) The FSC encourages internet-only banks to innovate and to provide the public with comprehensive financial services.
 - (5) Promote the application of MyData in the financial sector (banking, securities and futures, and insurance) in order to provide fast and convenient financial services to citizens and enterprises.
 - (6) Continue reviewing the regulations authorized under the Act Governing Electronic Payment Institutions to create a friendly legal environment for the development of electronic payment services and to facilitate convenient provision of payment services to consumers.
 - (7) Continue reviewing regulations governing online insurance business in order to create an environment for digital insurance to thrive and to enhance accessibility of insurance services.
 - (8) In response to the trend of digitalization and to optimize of insurance services, the FSC continues encouraging insurers to promote electronic policy authentication and certification and promote insurance policies e-passbook, so as to provide consumers with more convenient services.
3. Establish and mobilize diverse financing markets and assist companies such as SMEs and companies in the six core strategic industries to acquire funding.
- (1) In order to help SMEs and companies in the six core strategic industries to obtain working capital, the FSC continues to implement programs to encourage domestic banks to lend to them.

- (2) Continue promoting the Green Finance Action Plan 3.0 to enhance the financial industry's climate resilience and risk management capabilities and use financial mechanisms to channel funds to green and sustainable sectors, so as to support industrial development and achieve the goal of net-zero transition.
 - (3) Assist new and innovative entrepreneurs to enter the capital market to raise funds.
 - (4) Strengthen corporate governance and sustainable development measures to enhance the competitiveness of Taiwan's capital market.
 - (5) Enhance Taiwanese capital market's international competitiveness and highlight Taiwan's importance and value on the global stage by strengthening the sustainable business practices of securities and futures enterprises and the transitioning of securities and futures management and sectors.
 - (6) Enhance corporate financial information transparency and the quality of CPA audits.
 - (7) To build up a diversified financing environment and support the development of the real economy, the FSC will supervise efforts made by the TWSE and TPEX to make on-site visits to potential high-quality enterprises and participate in industrial promotion events and seminars. The idea is to help high-quality enterprises to utilize the capital market to raise funds, thereby expanding the scale of the capital market.
4. Align Taiwan's financial regime with international standards and promote expanding business presence in the target countries of the New Southbound Policy.
- (1) To strengthen the risk-absorbing capability and international competitiveness of domestic banks, we will continue to monitor international regulatory reform trends and changes in the global economic and financial landscape. We will also consider adopting relevant measures in line with international standards to maintain financial resilience and align with international practices.
 - (2) The FSC aims to gradually build a barrier-free bilingual financial environment and to promote the internationalization of financial services. We continue to encourage financial institutions to enhance their employees' English capabilities, create friendly bilingual financial service environments, and establish pilot bilingual branches.
 - (3) To strengthen global connections, the FSC continues signing financial supervisory/FinTech cooperation MoUs with other countries, deepening cross-border supervisory cooperation, and actively participating in international financial meetings and consultations.

- (4) The FSC encourages domestic banks to provide financial services to offshore Taiwan-owned businesses and other customers based in New Southbound countries, and to establish or expand their presence there.
 - (5) Deepen cross-border cooperation with foreign securities and futures regulators, and enhance international visibility.
 - (6) Enhance the competitiveness and improve the business environment of securities firms. Enhance the efficiency of the futures market and ensure the security of futures transactions.
 - (7) In response to the current international financial conditions, while ensuring to maintain safe, efficient, and appropriately supervised use of funds, the FSC will allow insurance companies to utilize a wider range of investment channels so that they can improve capital efficiency. The FSC will also continue to amend regulations governing the use of insurer's funds.
 - (8) To keep up with the worldwide development of solvency requirements for the insurance industry and to help insurers to maintain sound financial structure, the FSC will continue to study and promote a new solvency regime to facilitate insurance industry's smooth alignment with international standards.
 - (9) Keep guiding and working together with insurance industry to smoothly and actively prepare for the adoption of IFRS 17 (Insurance Contracts).
5. Promote financial inclusion, ensure economic security, and strengthen the education of investors and financial consumers.
- (1) The FSC has issued financial inclusion measurement indicators to evaluate the development of financial inclusion in Taiwan and the effectiveness of policy implementation, The FSC has also continued to urge financial institutions to implement financial inclusion measures to enable the general public — especially people in remote areas, disadvantaged groups, new immigrants, female groups, and people with disabilities — to have access to convenient, equitable, and reasonable financial services.
 - (2) The FSC continues to implement the "Financial Literacy Program" to promote fundamental financial education. The FSC also carries out the "School and Community Financial Literacy Campaign" to enhance financial literacy and financial consumer protection.
 - (3) The FSC will keep on promoting the Trust 2.0 Plan to reshape trust business units as a platform to integrate internal resources of financial institutions, to encourage cross-industry alliances, and to conduct appraisals and awards for trust enterprises with excellent performance and related meritorious personnel, thus spurring the trust industry to promote a full range of trust services.

- (4) The FSC continues promoting the "Treating Customers Fairly (TCF) Principles," which require financial services providers to build a corporate culture centered on TCF and integrity throughout the organization by means of a top-down approach.
 - (5) Encourage insurers to develop innovative insurance products and services to meet the needs of the public and upgrade the quality of insurance services.
 - (6) Continue promoting microinsurance to provide basic insurance protection for the economically disadvantaged and people with a specific status.
 - (7) The FSC continues overseeing efforts by the Financial Ombudsman Institution and other self-regulatory organizations to conduct financial literacy education and awareness programs regarding managing money wisely and protecting the elderly from fraud.
6. Maintain the discipline and stability of the financial markets and optimize financial supervision.
- (1) In accordance with the FSC Strategy Map for AML/CFT, the FSC continues to be in line with international standards, and implements risk-based supervision.
 - (2) The FSC continues to implement the "Financial Cyber Security Action Plan 2.0." and supervises efforts by financial institutions to security and maintain the continuity of financial systems, and thereby provide customers with a reliable and secure transaction environment.
 - (3) Promote a culture of ethical corporate management in the banking industry, strengthen corporate governance, internal control and remuneration policy through the attention of boards of directors and senior managers, and take top-down action to shape a good code of conduct.
 - (4) Improve the investor protection mechanism, strengthen the management of proxies for attendance at shareholders meetings and the administration of shareholder services, and implement the surveillance of stock trading to ensure market discipline.
 - (5) Keep reviewing the solvency-related requirements for the insurance sector to strengthen insurers' solvency and enhance their risk management and internal control systems.
 - (6) Strengthen the internal audit effectiveness of financial institutions.
 - ① The FSC will urge financial institutions to adopt a risk-based auditing approach and correct systemic deficiencies identified in financial examinations. The FSC will also strengthen communication with the internal audit departments of financial institutions.

- ② Evaluate financial institutions' internal audit performance and the effectiveness of the internal audit function during on-site examinations.
- (7) In order to allocate examination resources effectively, the FSC implements a differential examination mechanism (i.e. exercises ratings-based regulation and carries out in-depth audits) to examine and manage financial institutions based on their risk levels.
- (8) In response to supervisory needs, market conditions and public concerns, the FSC increases targeted examinations on specific financial businesses or items. These targeted examinations are designed to mesh well with regular full-scope examinations.
- (9) The FSC holds "Financial Supervisory Liaison Group" meetings with the Central Bank (CBC), the Ministry of Agriculture (MOA), and the Central Deposit Insurance Corporation (CDIC) on a regular basis to fully coordinate and communicate on matters related to financial systems and policies.

B. Key Plans for the Year

Focus of plan	Item	Category	Content of plan
Sound financial development	Green Finance Action Plan 3.0	Other	It aims to guide the financial industry to pay attention to the issue of climate change and enhance financial resilience in response to climate change risks. Also, through the development of Taiwan's taxonomy, the FSC encourages the financial industry and investors to support sustainable economic activities to create a virtuous cycle for investors and industries to pursue sustainability.
	Fintech Development Roadmap 2.0	Other	By optimizing FinTech legislation and policies, enhancing counsel resources and talent development, intensifying supporting resources and talent development, expanding FinTech technologies and applications, and increasing financial inclusion and digital finance adoption, the FSC seeks to enhance innovation momentum, facilitate financial innovation, and strengthen the FinTech ecosystem.
	Financial Cyber Security Action Plan 2.0	Other	By enhancing cybersecurity supervision, intensifying cybersecurity governance, ensuring the robustness of operational resilience of individual financial institutions, and arranging for collaborative sector-wide cyber defense, the FSC will supervise the efforts of financial institutions to maintain the continuity of financial systems, and thereby provide customers with a reliable and secure transaction environment.
	The seventh Financial Literacy Program (2024-2026)	Other	<ol style="list-style-type: none"> 1. Through the continuous promotion of new types of financial knowledge promotion activities, the Financial Literacy Program provides a wide range of basic financial education and information to improve consumers' financial knowledge. 2. The Program continues to integrate the resources of financial peripheral institutions and financial industry associations so they can jointly promote financial literacy.
Banking supervision	Provide diversified financial services and support	Other	In order to help SMEs and companies in the six core strategic industries to obtain working capital, the FSC continues to encourage domestic banks to lend to SMEs and companies in the six core strategic industries.

Focus of plan	Item	Category	Content of plan
	economic development		
	Strengthen financial education and financial consumer protection	Other	To build up financial education and literacy, the FSC continues to carry out the "School and Community Financial Literacy Campaign."
	Promote wealth management business for high-asset customers	Other	Allow qualified banks to provide diversified financial products and consulting services based on high-asset customers' wealth-management needs so as to enhance the competitiveness of domestic banks in the international wealth management market and to promote the transformation of the industry's business model and industrial upgrading.
	Strengthen regulations governing corporate governance and shareholding management of financial institutions.	Other	To pursue the shareholding transparency policy and enhance supervisory measures with respect to those who have control power over financial holding companies or banks, the FSC intends to amend the Financial Holding Company Act and the Banking Act to promote a corporate culture at financial institutions that emphasizes the importance of ethics.
Securities and futures markets supervision	Build up a diversified financing environment and expand the scale of the capital markets.	Other	<ol style="list-style-type: none"> 1. The FSC has constructed a multilayer capital markets. To continue to enhance the competitiveness of domestic capital markets, build up a diversified financing environment, and support the development of the real economy, the FSC will supervise efforts made by the TWSE and the TPEX to participate in industrial promotion and seminars and explore industries that show potential through telephone or on-site visits, thereby expanding the scale of the capital markets. 2. To assist new and innovative entrepreneurs to enter the capital markets to raise funds, the FSC will actively supervise efforts by the TWSE and the TPEX to explore the needs of startup firms and guide startup firms to list on the TIB(Taiwan Innovation Board) or GISA(Go Incubation Board for startup and Acceleration Firms) to raise funds, thereby supporting the development of innovative industries.

Focus of plan	Item	Category	Content of plan
			<p>3. The FSC will enhance the competitiveness of Taiwan's capital markets by improving corporate governance, enhancing board functions, promoting shareholder activism, strengthening information transparency, and enhancing the sustainable development of listed companies.</p>
	<p>Enhance the competitiveness of securities firms and promote the internationalization of domestic securities and futures markets.</p>	<p>Other</p>	<ol style="list-style-type: none"> 1. Deliberate on the amendment of regulations governing securities firms, provide diversified financial products, improve the development of financial markets, and enhance the sector competitiveness of securities firms. 2. The FSC and self-regulatory organizations will actively participate in international conferences and engage in bilateral or multilateral dialogues, thereby deepening exchanges of views and cooperation with international regulators, and raising our global visibility.
	<p>Improve the investor protection mechanism, strengthen the management of proxies for attendance at shareholders meetings and the administration of shareholder services, and implement the surveillance of stock trading to ensure market discipline.</p>	<p>Other</p>	<ol style="list-style-type: none"> 1. Improve investor protection mechanisms, and supervise efforts by the SFIPC (Securities and Futures Investors Protection Center) to implement measures to protect the rights and interests of securities investors and futures traders. 2. Strengthen the management of proxies for attendance at shareholders meeting and the administration of shareholder services. 3. Implement the stock market surveillance system, investigate illegal transactions, and strengthen cross-market supervision.
	<p>Improve the operation and</p>	<p>Other</p>	<ol style="list-style-type: none"> 1. Continue amending regulations related to the Securities Investment Trust and Consulting Act,

Focus of plan	Item	Category	Content of plan
	development of the domestic asset management industry, and complete relevant laws and regulations.		<p>to improve the operations of domestic asset management firms.</p> <p>2. Continue reviewing restrictions on the domestic asset management industry and securities investment trust funds, to enhance competitiveness.</p>
	Enhance the transparency of financial information and align our accounting, auditing, and related supervision measures with international practices.	Other	<p>1. Continue reviewing regulations governing accounting, auditing, and internal control of public companies.</p> <p>2. Strengthen auditor oversight and enhance audit quality.</p> <p>3. Participate in international organizations and align our supervisory measures with international practices.</p>
	Enhance the efficiency of the futures market, expand the scope of the futures industry businesses, and ensure the security of transactions.	Other	<p>1. Continue strengthening and reviewing the relevant regulations and systems of trading, clearing, and settlement in the futures market.</p> <p>2. Broaden the scope of businesses conducted or products sold by futures firms, and implement risk management.</p>
Insurance supervision	Strengthen the supervision of insurers' solvency and risk management.	Other	<p>1. Continuously review the insurance solvency regime and deliberate on the possibility of aligning with the Insurance Capital Standard (ICS) issued by the IAIS in order to strengthen supervision of insurers' solvency.</p> <p>2. Keep guiding and working together with insurance enterprises to smoothly and actively prepare for the adoption of IFRS17 (Insurance Contracts).</p>

Focus of plan	Item	Category	Content of plan
			3. Keep monitoring and overseeing insurance companies to strengthen the effectiveness of their risk management and internal controls.
	To improve insurance companies' capital efficiency, the FSC continues to amend regulations governing the use of funds.	Other	Conduct regular reviews of the laws and regulations governing the use of insurer's funds.
	Encourage insurers to develop innovative insurance products and services.	Other	Continue encouraging insurers to catch up with the social and economic trends, industrial development patterns, and related environmental issues, and actively develop diversified and innovative insurance products to meet the needs of the public.
	Encourage insurers to actively promote online insurance business and promote the efficiency of online insurance business.	Other	<ol style="list-style-type: none"> 1. Continue reviewing regulations applying to online insurance business, create an environment conducive to digital insurance, and make it more convenient to obtain policies. 2. Encourage insurers to actively engage in online insurance business and improve the quality of insurance service.
Insurance supervision	Strengthen discipline of the insurance market.	Other	Review regulations governing solicitation, and strengthen discipline in the insurance market.
Financial examination	Improve the effectiveness of financial examinations, and conduct more targeted	Other	<ol style="list-style-type: none"> 1. In response to supervisory needs, market conditions, and public concerns, the FSC will increase targeted examinations on specific financial businesses or items. 2. In order to allocate examination resources effectively, the FSC implements the differential examination mechanism.

Focus of plan	Item	Category	Content of plan
	examinations in accordance with financial market conditions.		3. In order to strengthen communication with financial institutions and other supervisory authorities, the FSC will hold audit forums or coordination meetings. The FSC will also urge financial institutions to take corrective action in response to examination findings.