

2023 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)	Enhancing the competitiveness of the securities firms as well as internationalizin g securities and futures markets	<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 2023 were reached with good performance. Major achievements were as the following:</p> <p>(1) The FSC released a new order to loosen restrictions foreign investors leveraging Taiwan Stocks as collaterals for funding offshore investments on March 30, 2023. The FSC had supervised the TWSE accomplished” Operating Rules on the Use of Domestic Securities by Overseas Chinese and Foreign Nationals as Collaterals for Offshore Investment Activities” and conducted 2 explanation meetings.</p> <p>(2) In 2023, TWSE and other securities-related institutions have revised the internal control regulations of</p>	outstanding

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			<p>securities firms.</p> <p>(3) The FSC has kept participating in IOSCO (virtual) meetings, strived to share the Taiwan capital market initiatives and held the World Investor Week (WIW) activities in Taiwan so as to keep up with of global supervisory momentum and enhance international visibility.</p> <p>3. Recommendation:</p> <p>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)	Improve the protection of investors' rights, strengthen the management of shareholders meetings and the administration	<p>1. Project Management:</p> <p>The implementation progress of this plan was reported on schedule, although the implementation of the first and second quarters is lagging behind, but the overall performance objectives have been achieved on time.</p>	outstanding

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		of shareholder services, and actively implement the surveillance of stock trading to ensure market discipline.	<p>2.Performance:</p> <p>Project goals set for 2023 were reached with good performance. Major achievements were as the following:</p> <p>(1) The FSC has supervised the SFIPC to file 22 class action suits and attended 75 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 3 Amendment Seminars of Standards for the Internal Control System of Shareholder Services Unit and to host 5 seminars solicitation of Proxies for Attendance at Shareholder Meetings, in order to strengthen the advocacy of regulations.</p> <p>(4) The FSC has supervised the TWSE and TPEX to host 4 sessions of</p>	

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			<p>"Prevention of Illegal Transactions Seminar", to hold 4 sessions in total of "Securities and Futures Cross-market Surveillance Seminar" and "Illegal Transaction Review Panel Discussion 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, strengthening the advocacy of shareholders' units, 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 2023 were reached with good performance. Major achievements were as the following: (1) The FSC has amended the regulations</p>	outstanding

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			<p>of Securities Investment Trust Funds, including strengthening disclosures of ETF, directing the TPEX to amend the “Taipei Exchange Rules Governing Securities Trading on the TPEX” and the relevant rules, and releasing private securities investment trust funds to invest in private equity funds.</p> <p>(2)The FSC has supervised SFI to enhance human resource for asset managements and the management of securities investment trust funds, including releasing 2022 report and 2024 budget and working plan.</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 accounting and auditing	<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>	outstanding

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		supervision regulations in line with international standards.	<p>2. Performance:</p> <p>Project goals set for 2023 were reached with good performance. Major achievements were as the following:</p> <p>(1) The FSC Amended “Regulations Governing the Preparation of Financial Reports by Securities Issuers”.</p> <p>(2) The FSC Released 2022 audit oversight report, including the results of audit firm inspection. Conducted on-site inspections of three audit firms. Additionally, designed differentiated regulatory approaches for CPA firms.</p> <p>(3) The FSC Attended twenty IFIAR’s meetings such as board meeting, enforcement workshop, and inspection workshop.</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</p>	

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			SFB to implement quality management systems.	
5	SFB (Futures Trading Division)	Improving the futures market's efficiency, expanding the futures industry's scope, 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 adequately controlled.</p> <p>2. Performance: Project goals set for 2023 were reached with good performance. Significant achievements were as follows:</p> <p>(1) The FSC oversees TAIEX's ongoing progression of its OTC Derivatives Clearing business, expanding clearing services to include clearing members' clients and integrating NDF into its cleared products.</p> <p>(2) The FSC has supervised TAIEX in completing the information system test, amending the relevant regulations, and launching the new flexible contracts trading platform.</p> <p>(3) The FSC has supervised TAIEX in establishing the Cancel on Disconnect (COD) mechanism in the futures market and launching PHLX</p>	outstanding

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			<p style="color: red;">Semiconductor Sector Futures.</p> <p style="color: red;">3. Recommendation:</p> <p style="color: red;">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>	