

Objectives for 2002

Faced with the challenges of globalization and competition from international capital markets, TSEC aims to achieve four main goals in 2002 - Increase Market Liberalization, Provide Innovative Services, Improve Market Administration and Enhance Operational Efficiency. These goals are detailed below:

INCREASE MARKET LIBERALIZATION

1. Enlarge the scale of the market while maintaining the quality and number of listed companies.
2. Accelerate the issuance and listing of new financial products such as put warrants and warrant-backed securities.
3. Promote the issuance and listing of ETFs in Taiwan.
4. Produce tradable composite indexes in co-operation with leading international index compilers.
5. Encourage foreign companies to issue Taiwan Depository Receipts or to list in Taiwan.
6. Study ways of bringing local securities' issuance rules more in line with international standards.
7. Enhance information-exchange and cooperation with international securities institutions.

PROVIDE INNOVATIVE SERVICES

1. Develop plans for a next-generation trading system that meets internationally-acceptable standards. Establish procurement bidding procedures for the new system.
2. Enlarge after-market transaction functions.
3. Promote cross-border stock trading.
4. Improve margin trade and securities borrowing and lending systems.
5. Build up a comprehensive Internet reporting system that will allow listed companies to submit online their financial statements and other important information and thereby improve market disclosure.

6. Establish an English web version of the TSEC's "Stock Market Observation Post."
7. Enhance investor education and protection activities.

IMPROVE MARKET ADMINISTRATION

1. Improve material information disclosure of listed companies.
2. Assist listed companies to establish corporate governance mechanisms.

3. Reinforce market-surveillance systems, promote information sharing among securities-related institutions, and implement a comprehensive cross-market surveillance information sharing system.
4. Study various risk precaution signals, integrate cross-market risk management mechanisms strengthen the functions of credit information center for securities firms, and improve risk management systems.
5. Research how to better evaluate risks and control methods in the settlement process.

ENHANCE OPERATIONAL EFFICIENCY

1. Simplify the due diligence process and listing application procedures.
2. Promote paperless stock transactions
3. Promote the feasibility of a T+1 settlement for centralized market trading.
4. Study the application of STP to operations of Taiwan's stock market
5. Research block trading systems.
6. Study measures to improve the performance of local brokerage houses.
7. Encourage brokers to adopt Internet certification authenticity and digital signatures with the aim of achieving a paperless, quicker operating process.
8. Plan for a new computer center at the TSEC's future office in the International Financial Center
9. Establish TSEC's information safety management system.
10. Obtain the 2000 version of the ISO 9000 certificate.

