

Business Achievements in 2010

Under the guidance of the regulator, TWSE implemented various operational measures in accordance with its yearly plan to promote the healthy development of the securities market. Major achievements were as follows:

I. Listing

1. Expanding the Scale of the Securities Market

a) Encouraging Qualified Domestic Companies to List on TWSE

TWSE worked closely with underwriters, visited qualified companies and provided channels of assistance to help companies solve issues during their listings. 32 companies submitted listing applications, of which 21 successfully listed on TWSE.

b) Encouraging Foreign Companies to List on TWSE

(1) Organizing Overseas Forums and Proactively Promoting Foreign Listings

TWSE visited Silicon Valley, Tokyo, Hong Kong, Singapore, Shanghai and Fuzhou to promote Taiwan listings, while cooperating with intermediaries nine times to host 13 forums. These forums outlined Taiwan's fundamental strengths as a fundraising center, as well as the benefits of a primary listing or TDR issuance in Taiwan. TWSE also visited a total of 52 sizable Taiwanese holding and foreign holding companies to learn more about their overseas operations and their intentions to list in Taiwan.

(2) Reinforce Corporate Literature and Establishment of Multilingual Websites

TWSE published a listing guide in Japanese and frequently updated this website. TWSE also updated the content of the TWSE homepage, as well as the foreign primary listing and TDR sections within the Market Observation Post System (MOPS).

(3) Achievements in Attracting Foreign Companies to List in Taiwan

- i. There were six primary listings by foreign companies (IML, TPK, Gourmet Master, Wisdom Marine, Airtac and MStar), with 64 companies currently under IPO coaching.
- ii. There were 12 TDRs issued by foreign companies, while 12 applications were being reviewed. From January 2009 to December 31, 2010, there were a total of 22 TDR listings.

2. Strengthening of Governance and Services for Listed Companies

a) Promoting Corporate Governance and Corporate Social Responsibility

- (1) TWSE co-hosted the "How to Strengthen Corporate Governance in Order to Raise the Competitiveness of the Capital Market Forum" in June 2010, in conjunction with the Center for the Study of Banking and Finance of National Taiwan University, the Banking Education Association of Taiwan and the Taiwan Hakka Forum Association.
- (2) TWSE hosted seven forums in July and August 2010 which covered topics such as corporate governance, corporate social responsibility, the prevention of insider trading and enhancement of investor relations, with the objective of raising the quality of listed companies and the capital market.
- (3) TWSE hosted five "2010 Information Disclosure and Reporting on Significant Corporate Events" in December 2010, which introduced topics such as corporate governance, corporate social responsibility, and the introduction of new regulations overseeing corporate governance in 2010.
- (4) GreTai Securities Market and TWSE co-hosted the "2010 Capital Market Forum-Corporate Social Responsibility and Ethical Operation" on December 29, 2010.
- (5) TWSE encouraged listed companies to undergo an evaluation of their corporate governance system, subsidizing the fees incurred. As of the end of December 2010, 19 companies had applied to take part in the scheme, among which 13 had already completed their evaluation and obtained certification.



- (6) TWSE introduced a reporting system for the scheduling of annual general meetings (AGM) in order to overcome the problem of having too many shareholder meetings scheduled during the same period. The system limits the number of AGMs that are held on the same day and evenly disperses the scheduling.
- (7) In order to help primary exchange listed (or OTC listed) companies adopt corporate social responsibility and increase corporate governance standards, TWSE and GreTai Securities Market (GTSM) co-published a set of reference materials such as the "Corporate Social Responsibility Best Practice Principles", "Regulations Governing the Exercise of Powers by Supervisors", "Ethical Business Standards", "Principals of Ethical Operations" and "Corporate Governance Principles for Listed Companies", which aims to help listed companies set up and tailor their company codes to align with international standards.

b) Organizing Track Record Presentations for Listed Companies

In accordance with the government's policy to create a quality investment environment, highlight the excellent performance of listed companies and expand channels of communication between listed companies and the capital market, TWSE organized five result announcements for TDR companies. On average, there were around 200 participants at each event.

c) Promoting the Adoption of XBRL Financial Reporting and Filings

- (1) TWSE organized 24 XBRL training sessions which helped listed companies familiarize themselves with XBRL filings. TWSE also set up an inquiry unit which assisted listed companies with completing voluntary reporting to achieve a complete roll-out. During the May 2010 voluntary reporting period, the uptake rate was 95%. XBRL reporting became compulsory in September 2010. The "XBRL Information Platform" was also launched on the new MOPS website which allowed investors to browse and download XBRL financial information. The platform also included a section where investors can analyze and compare the financial performance of listed companies. This platform was also included on the English MOPS website to allow foreign investors to browse the related information.
- (2) TWSE organized Standard Business Reporting (SBR) forums in Taiwan where it invited Australian SBR project leaders to share their experiences with adopting XBRL and promoting SBR in Australia.

d) Assisting Listed Companies to Develop Investor Relations (IR) Functions

In order to assist listed companies build their investor relations (IR) functions, TWSE invited professional institutions and organized 3 investor relations forums. TWSE also commissioned professional institutions to examine TWSE's "Plans for Promoting and Assisting Listed Companies to Build Investor Relations and Develop Best Practice Guidance for Investor Relations" and develop "Reference Guidance for Investor Relations Best Practice" to promote and assist listed companies in developing their investor relations functions.

e) Promoting the Adoption of International Accounting Principles in Taiwan

TWSE updated the IFRSs section of its corporate website and assisted regulators with developing a "Download Area for IFRSs in Traditional Chinese" on the Securities and Futures Bureau's (SFB) website where it could be referenced by listed companies. TWSE also co-hosted 10 education forums for listed companies with GTSM and held 18 training sessions for internal staff.

f) Enforcing Corporate Governance within Listed Companies

TWSE continued to review its "Operation Risk Standards", which ensure that each listed company's corporate governance, financial structure and trading standards comply with requirements. The level of enforcement applied to each listed company was different and was dictated by TWSE's risk evaluation. Appropriate actions were taken against industries or companies which exhibited higher risk.

g) Strengthening Management for the Private Placement of Securities

As part of ongoing reforms to the private placement system, TWSE joined a special committee of regulators to propose revisions to existing regulations, participated in meetings to strengthen the supervision of private placements, conducted surveys and attended public hearings. Based on the rules and measures set by the regulator, TWSE revised the operating procedures for information disclosure and the content which needs to be put on the private placement section of the website. TWSE also provided reference examples for listed companies about the information that needs to be disclosed during private placements.



II. Trading

1. Market Reforms

a) Implementation of Continuous Trading

To align with international practice, TWSE planned a framework for the introduction of continuous trading, which began with a trial launch for call (put) warrants with lower trading volumes. The trial commenced on June 28, 2010. TWSE will continue to review the possibility of fully implementing continuous trading.

b) Reducing the Latency of Index and Statistical Information Disclosures to 15 Seconds

To further increase the internationalization of TWSE and its alignment with international practice, TWSE worked to provide instant information to investors on the disclosure of real-time index values of TAIEX index series. Latencies for indexes, trades and information requests were shortened to 15 seconds and were available online from Jan 17, 2011.

c) Adjustment of Rules for Opening Auctions

TWSE revised the rules governing opening auctions in order to add more flexibility to the limits imposed on the price fluctuation of securities, in accordance with market trends to increase matches. Opening auctions now use the closing price of the previous day. If no closing price is available, it will be determined by (1) using the highest reported buying price if it is higher than the opening auction price of the previous day; (2) using the lowest reported selling price if it is lower than the opening auction price of the previous day; (3) using the opening auction price of the previous day if both (1) and (2) are not applicable. This revision will come into force on March 28, 2011.

d) Proposals on Trading Suspensions

(1) Suspension of TDRs or Warrant Trades

Based on the principle of equal access to information, if a TDR issuer or the underlying stock of a call (put) warrant is suspended on its primary-listed market due to the disclosure of sensitive information, the trading of the TDR or warrant would also be suspended in Taiwan until clear information is made available to the public.

(2) Suspension of Other Listed Securities

Following correspondence with the regulator on the introduction of a suspension mechanism for different types of securities, and with reference to the practices of international exchanges, TWSE proposed suspending the trading of securities and its related products if the issuer announces price-sensitive information.

e) Relaxations on Foreign Investors Transferring Assets

In order to lower the trading costs for foreign investors, TWSE proposed allowing asset transfers within the "others" category, which is an extension of earlier relaxations to restrictions covering asset transfers implemented in 2009.

f) Adjusting the Definition of Volatile Price Fluctuations for TDRs

To strengthen supervision on TDR trading, TWSE revised its definition on volatile price fluctuations to mean a 50% (previously 80%) premium or discount on the original share's closing price, as well as its highest or lowest closing price compared to the original price over the previous six trading days. TWSE can also lower the margin finance ratio and raise the collateral guarantee amount for these securities by 10% accordingly.

g) Proposals for Off-market Trading

On the advice of the regulator, TWSE proposed allowing private investors to trade listed stocks off-market, in accordance with the authorization rules within Article 150-4 of the "Securities and Exchange Act".



h) Strengthening the Unified Reporting Functions for Securities Firms

To complement the regulator's efforts in allowing Taiwanese securities firms to trade Chinese securities (red chips and ETFs) issued in Hong Kong or Macau, ECBs or GDRs issued by Taiwanese companies overseas, and ETFs issued by Taiwanese investment trusts overseas, TWSE permitted futures firms to offer stock-related trading services and securities firms to apply to operate wealth management businesses as investment trustees. TWSE has already expanded the scope of its "Unified Reporting System for Securities Firms", to cover the disclosure of additional stock-related businesses. TWSE also added a "Disclosure System for Additional Securities Services" and a function for the "Supervision and Disclosure for the Wealth Management Businesses of Securities Firms".

i) Margin Trading for Listed Securities

- (1) On August 2, 2010, U.S. dollars (USD) became qualified collateral for securities borrowing. Foreign Institutional Investors (FINI) can now use USD as collateral when borrowing securities during pricings or auctions on TWSE, or when accessing TWSE's SBL system to borrow securities.
- (2) TWSE revised the SBL commission calculation method for securities firms on September 7, 2010. TWSE added a minimum fee for SBL brokerage commissions for fixed-rate and competitive auction transactions. TWSE also added an option for securities borrowers or lenders to pay the SBL service fee charged on negotiated transactions in full.



2. Stimulating Trading and Strengthening Market Services and Supervision

a) Stimulating ETF Trading

In order to stimulate ETF trading and establish a framework for ETF liquidity providers, TWSE continued to adjust its discount on commission fees, as well as its rules for issuing bonuses to ETF liquidity providers. At the end of 2010, TWSE had offered a total of NT\$1,746,260 in discounts and issued NT\$7,664,293 in bonuses.

In order to raise the liquidity of foreign ETFs, TWSE proposed setting-up a framework which requires overseas ETFs to be covered by at least one liquidity provider, as well as allowing securities firms to authorize FINIs to become liquidity providers for foreign ETFs. TWSE also proposed further adjusting the discount on commission fees in order to raise the liquidity of foreign ETFs.

b) Operations Related to Call (Put) Warrants

(1) Permitting Overseas Securities or Indexes to be Underlying Stocks for Warrants

TWSE has permitted warrant issuers to use foreign stocks or indexes as underlying securities since September 1, 2010. There have been 41 such warrants listed.

(2) Revising the Calculation Method for Warrants which Use Cash Settlements

In order to protect the interests of investors, TWSE revised its calculation method for determining the maturity price and settlement index of warrants exercised using cash settlement. The maturity price is now calculated based on the simple average price of the underlying stock 60 minutes before market close, while the settlement index is now determined based on a simple average of the underlying index 30 minutes before market close. The new calculation method was implemented on January 3, 2011.

(3) Organizing Promotional Activities for Warrants

In addition to the monthly promotional activities TWSE co-hosts with issuers, TWSE and the Economy Daily News co-hosted a warrant contest entitled "Race for Millions" from March 2010 to February 2011, and co-hosted the first "King of Warrants" contest with the Commercial Times from August 2010 to February 2011. These activities aimed to increase the scale of the warrants market. From July 1 to August 31, 2010, TWSE also organized a "Warrant Q&A Contest", which promoted warrant products and educated investors through its website. The contest attracted around 80,000 participants.

(4) Organizing Training Sessions for Securities Brokers

In order to improve the quality of services provided to warrant investors, TWSE encouraged securities brokers to undertake on-the-job training for warrant trading. From April to December 2010, TWSE commissioned the Taiwan Securities Association and Securities and Futures Institute to organize training programs. Approximately 3,000 securities brokers completed the training.



(5) Assisting Warrant Issuers to Resolve Tax Disputes

The Taipei National Tax Administration used a different set of rules to recognize profit and losses in the warrant issuance business for the calculation of Income Tax in 2007. This resulted in a back duty of up to NT\$2.5 billion being imposed on the sector, which severely affected the future development of the warrant market. From February 2010, TWSE worked closely with the Taiwan Securities Association and the Taipei National Tax Administration in order to facilitate communication and provide information on the issue of warrants, trading processes, regulations, risk management and accounting methods to 300 tax inspectors. TWSE continued to provide its views to the Taiwan Securities Association and worked closely with the Taipei National Tax Administration and Taxation Agency until the case was resolved in August 2010.

(6) Sharp Increase in the Number of Warrant Issues

In 2010, over 10,000 warrants were issued, which was a drastic increase compared to the 6,120 warrants that were issued last year.

c) Hosting Information Sessions for Brokerages

From April 30 to August 12, 2010, TWSE organized information sessions for 27 brokerages, including Yuanta Securities, to improve broker services and to ensure brokers fully understood their legal responsibilities under Article 18 of the "Regulations Governing the Responsible Persons and Associated Persons of Securities Firms" when appropriating or safekeeping listed securities or outlays on behalf of their clients. Approximately 2,000 brokers and department heads attended.

d) Organizing "Securities Brokerage Regulation Information Forums"

From November 19 to December 15, 2010, TWSE organized nine "Securities Brokerage Regulation Information Forums" to ensure the heads of brokerages understood their responsibilities in regards to supervision and the need to enhance the monitoring of their employees, in order to comply with rules aimed at lowering the number of regulatory violations and maintaining market order. Approximately 1,140 managers or OTC head traders attended.

e) Supervision and Preemptive Measures

(1) TWSE continued to enhance its operations in regards to issuing warnings to listed companies with suspicious stock movements. This included the review of information disclosures by listed companies during trading hours, announcements and the handling of information, the review of investment programs, cross-market supervision, and the identification of illegal trading.

(2) TWSE launched eleven promotional activities to prevent insider trading. This included arranging insider trading awareness forums, promotional visits to targeted listed companies, offering guidance for preventing insider trading, creating an "Insider Trading Prevention" website, participating in forums at community colleges, hosting promotional events at schools and providing insider trading prevention guidance and educational films to newly listed companies. The targets for these activities included the employees of listed companies, consultants at investment trusts, securities firm executives and their brokers, accountants, underwriters and the general investment community. These activities reached approximately 60,000 participants.



(3) Strengthening Disclosure on Share Trading by Insiders

TWSE regularly carries out inspections looking for irregularities in the insider trading activities and on the accuracy of reporting on changes in share ownership by insiders. TWSE notifies newly listed companies about the need to comply with regulations governing the supervision of share trading by insiders, as well as related rules governing share transfers and share buy-backs. TWSE organized 16 introduction sessions on insider share trading.

(4) In 2010, TWSE organized 13 compliance officer training sessions, with a total of 677 participants. TWSE also organized five training sessions for compliance officers from the Financial Examination Bureau (FEB) of FSC, SFB, GTSM and TWSE, attracting 218 participants in total.

III. Computer Applications and Information Services

1. Establishing a New Computer Center

TWSE signed a Land Sale & Purchase Agreement with Chunghwa Telecom on December 20, 2010, and is currently negotiating with service providers on the cost of outsourcing technology services. The new computer center will meet the demand for land, building and computer space from TWSE's four securities and futures exchange units.

2. Computer System Update for Protection against the R.O.C. Centennial Bug

- a) The plan to combat this issue has been implemented since 2007. In 2009 and 2010, TWSE conducted a date format update of its internal system data, which was completed on June 30, 2010. A total of 6,392 computer programs were updated.
- b) TWSE continued to supervise the progress of system upgrades by brokerages, listed companies and information providers to complement the regulator's requirements. All companies under TWSE's supervision had upgraded to protect themselves from the R.O.C. Centennial Bug by September 2010.
- c) In September 2010, TWSE arranged a simulated transition test from 2010 to 2011 for securities firms in order to comprehensively test the performance of all operations covering the main market and OTC market. TWSE completed testing across the entire market in October 2010.
- d) TWSE completed the development of its "Contingency Reporting Website" in November 2010.
- e) All brokerages were required to report the results of further testing on the R.O.C. Centennial Bug by the afternoon of January 1, 2011.
- f) TWSE and all 873 companies under its supervision were free from errors associated with the R.O.C. Centennial Bug when the market opened on January 3, 2011.

3. Establishing the FIX Communications Protocol Platform

TWSE's "FIX Communications Protocol Platform" began operations on September 27, 2010, which provided financial information using the international standard FIX protocol. It allowed additional overseas exchanges and brokerages, as well as those using the existing TMP (Transaction Message Protocol), to connect to TWSE and place orders and receive confirmations. This improved the trading operation efficiency.

4. Establishment of Second Core Trading System Dedicated to Warrants

TWSE established a second core trading system on June 28, 2010 to facilitate the continuous trading for warrants in the main market and OTC market, after testing was completed at the end of 2009. It was established to ease the burden on TWSE's existing core system in the case of a large number of warrant listings.

5. Establishment of the "TCP/IP Securities Trading Information Network - MPLS"

TWSE established the "TCP/IP Securities Trading Information Network - MPLS" in order to meet the need for large data transfers resulting from warrants trading and to reduce the operating costs of brokerages and information providers. TWSE added two or more telecom companies to provide the fixed line service. Information transmission began on June 28, 2010, while part of the trading transmissions commenced on December 27, 2010.

6. Index Compiling and Licensing

TWSE proactively compiled indexes and cooperated with FTSE to compile and license indexes. TWSE licensed 42 indexes in 2010.



7. Establishment of the "TAIEX Series Maintenance System"

Information on constituent changes for indexes was systematically handled by the information system, reducing the error rate resulting from human operations and making it quicker to detect irregularities, which enhanced both efficiency and market safety.

8. Proactively Promoting Information Products

TWSE continued to proactively promote its information products, including signing contracts with international information providers for the use of TWSE's information products and platforms, as well as providing related information services to overseas information providers. These efforts further internationalized TWSE. Currently, there are 15 real-time trading information providers, eight real-time stock price index information providers and 14 delayed trading information providers having contracts with TWSE.

9. Participating in the "2010 IT Month Exhibition"

TWSE took part in the "2010 IT Month Exhibition" for the first time, where it invited well-known financial information providers to share the concept of intelligent wealth management with the public. In addition to using interactive activities to allow the general investment community to learn more about the correct concepts for investing, the exhibition also introduced different investment technologies and financial products to investors. These activities aimed to achieve three goals, including the set-up of intelligent wealth management, the promotion of technology products and the development of the financial information market in Taiwan.

10. Launching the "Voluntary Information Dissemination of MOPS Service"

TWSE launched the "Voluntary Information Dissemination of MOPS Service" in order to reduce the latency for the issuing companies transferring corporate information to investors in a more efficient way. Seven information providers have subscribed to the service.



5. Participating in Activities Held by Different International Securities Organizations

- a) TWSE attended various meetings held by the World Federation of Exchanges (WFE), including Working Committee meetings in Mumbai and Brazil, the Statistics Advisory Group meeting in Shanghai, the "2010 IOMA/IOCA Annual Conference" in New York, the Regulation Committee meeting and workshop held in London, as well as the "50th General Assembly and Annual Meeting" in France.
- b) TWSE participated in the "29th General Assembly" of the Asian and Oceanian Stock Exchanges Federation (AOSEF) held in Bali, as well as the Working Committee meeting held in Seoul.
- c) TWSE attended a number of meetings organized by international organizations such as the "35th Annual Conference" of the International Organization of Securities Commissions (IOSCO) held in Montreal, the Self-Regulatory Organizations Consultative Committee (SROCC) meeting, the third meeting of the Emerging Markets Committee, the meetings and seminars of the WFE's Regulation Committee, the annual conference of the Emerging Markets Committee held in Istanbul, the SROCC meeting held in Rio de Janeiro, as well as hosting 2 IOSCO events, the "IOSCO Mobile STP", the "IOSCO APRC Conference" and its related seminars.
- d) TWSE participated in a number of different international seminars including the "2010 Lujiazui Summit of Worldwide Chinese Financial Elites" in Shanghai, the "Asian Financial Forum" held in Hong Kong, the "Halter Financial Summit" in Shanghai, the "Boao Forum" in Hainan, the "Cross-straits Economic and Financial Forum 2010" in Haixi, the "Shanghai Forum 2010", the "Cross-Strait Financial Cooperation and Development Forum", the "Lujiazui Forum" and the "6th Cross-Straits Economic Trade and Culture Forum".
- e) TWSE signed Memorandums of Understanding (MoU) with the BATS Exchange in the U.S. on May 25, 2010. It also signed a MoU with the Hanoi Stock Exchange in Vietnam on July 19, 2010 focusing on information exchanges. TWSE is currently a party to 32 MoUs with a total of 29 exchanges worldwide.
- f) TWSE worked with the Hanoi Stock Exchange to provide assistance with educational training and to share TWSE's experience on ETFs, corporate governance and MOPS. The President of the Hanoi Stock Exchange plans to visit TWSE in the first quarter of 2011 to share their experience in operating ETFs.

IV. Research and Development for the International Business

1. Encouraging Domestic ETF Listings

TWSE now allows investment trusts to issue ETFs using other indexes not compiled by TWSE. Currently there are eleven domestic ETFs listed in Taiwan with assets under management (AUM) of around NT\$71.2 billion. Eight of these ETFs use TWSE's indexes as its underlying index.

2. Encouraging Foreign ETF Listings

TWSE revised its listing and trading regulations to complement the regulator's decision to allow direct cross-border listings and index-linked ETFs in Taiwan. Currently there are 4 such ETFs listed with AUM of around NT\$11.3 billion, of which 3 are direct cross-border listings of Hong Kong ETFs, and 1 is an index-linked ETF.

3. Encouraging the Listing of ETF Warrants

TWSE announced 14 ETFs which can be used as the underlying securities for call (put) warrants.

4. Developing New Indexes

TWSE developed the "Taiwan RAFI® EMP 99 Index" with Research Affiliates, LLC, which was launched on December 30, 2010.

V. Securities Investment Education

1. For the seventh time since 2004, TWSE held "Knowledge King of Securities Investment" educational competitions at a number of university campuses to promote investor education. The events were well-received in each school, with a total of 3,162 students from 88 tertiary institutions applying to participate.
2. TWSE held a total of five "Securities Knowledge Camps for Teachers from Primary and High Schools" during July and August 2010.
3. TWSE arranged a total of 50 "Popularization Plan of Financial Knowledge: Invest into the Future" lectures at community colleges.
4. TWSE held a "Securities Lending Exhibition" at the Information Exhibition Center on the first floor of the Taipei 101 building from March 15 to June 30, 2010 in order to increase investors' understanding of the Taiwan securities lending system and to encourage them to participate. The exhibition also featured a number of posters, slogans and promotional leaflets, as well as the non-stop playing of multimedia movies in order to leave a deeper impression on investors.



VI. Media Communication and Caring for the Community

1. Announcements and News Coverage

TWSE arranged 198 press conferences for listed companies to disclose their financial information. In order to deliver accurate and important information to the media, TWSE issued 1,564 bilingual press releases and received press coverage 852 times in the mainstream media. It also worked with the mainstream financial media in Taiwan to co-host investment forums and deliver a total of 30 speeches, as well as promote news, advertising and interviews with domestic TV broadcasters, newspapers and magazines.

2. Corporate Social Responsibility

TWSE organized a number of charitable activities to demonstrate its concern for society, particularly for the elderly, children and other people in need who play a positive role in the community.

- a) Providing assistance services to the elderly and displaying the warmth of society, TWSE sponsored the "Taipei City Li Shin Charity Fund" to provide food delivery services to the elderly in the Wanhua District and arranged hiking activities at Taipei 101 during the Double Ninth Festival.
- b) Providing a fair and supportive learning environment for children in situations of economic distress, TWSE sponsored a number of schools including the Taipei Municipal Da Li Elementary School, MingDao Elementary School, Fanghe Junior High School, Taipei Municipal ShuangYuan Junior High School, Sansia Elementary School, Pinghsi Junior High School, Wanli Junior High School and National Guan-Shan Vocational Senior High School to provide afterschool tutorial classes, living allowances and emergency assistance to children in economic hardship.
- c) Encouraging prison inmates to rehabilitate and reintegrate into society by stimulating their determination and strength to change, TWSE sponsored a nonprofit organization to arrange 20 "Light up your Life" speech tours to prisons across Taiwan. The objective of these speeches was to encourage inmates to enlighten their lives by inviting previous inmates to share their life changes experiences and how rehabilitation helped them.

Objectives for 2011

I. Promote the Internationalization of the Taiwan Capital Market

1. Develop Taiwan into a Regional Capital Raising Center

- a) Encourage qualified domestic and foreign enterprises to list on TWSE.
- b) Encourage the listing of offshore ETFs in Taiwan.

2. Further the Market's Alignment with International Practice and Reinforce International Cooperation

- a) Upgrade the Taiwan stock market to a developed market by adjusting trading, clearing and settlement, as well as the securities lending businesses.
- b) Promote and assist Taiwanese companies in adopting International Financial Reporting Standards in their financial statements.
- c) Promote and implement the use of XBRL within the Taiwan capital market.
- d) Adopt international protocol standards for governing the exchange of information.
- e) Participate in activities arranged by international securities organizations, arrange international meetings and promote interaction and cooperation with overseas securities institutions.

II. Promote a Comprehensive and Strong Mechanism for Market Operation

1. Concerning Issuing Business, Encourage Better Corporate Governance and Corporate Social Responsibility

- a) Encourage listed companies to develop a comprehensive corporate governance system.
- b) Educate listed companies to place more emphasis on corporate social responsibility and display more integrity in their business.

2. Concerning Trading, Increase Flexibility of the Trading System

- a) Promote comprehensive and continuous trading.
- b) Propose relaxation on-day trading restrictions.
- c) Suggest ways to outline the importance of T-day settlement within the trading system.
- d) Propose allowing off-market trading.

3. Concerning Clearing, Provide a Comprehensive Clearing System

- a) Propose the set-up of a clearing membership system.
- b) Expand the number of sources for securities borrowing and reduce margin trading restrictions.

4. Concerning Products, Develop New Products

- a) Explore the development of new products related to call and put warrants.
- b) Evaluate the potential for developing new financial products and new indexes.