

## 2. FINANCIAL INCLUSION

### 2.1 Support listing of innovative companies

With the rise of innovative industries across the world, the TWSE continues to adapt by refining the issuance and trading systems to provide a more competitive investment environment. In 2025, TIB will undergo a major upgrade to attract more innovative companies by relaxing investor participation thresholds, enhancing information transparency, and deepening international financing connections. The TWSE will also strengthen its support for new economy industries, leveraging the power of the capital market to promote Taiwan's industrial innovation and development.

#### TIB upgrades promote innovative industry clusters

In response to the government's goal to establish Taiwan as the premier Asian Asset Management Center, TIB underwent a comprehensive upgrade on January 6, 2025, removing restrictions on qualified investors and opening the market to retail investors. This significant reform aims to strengthen communication channels with investors, enhance transparency, and increase accessibility. In the future, TIB will adopt the same trading system as the General Board, including margin trading, securities lending, and odd lot trading for greater flexibility in trading. To ensure that investors understand market features and potential risks plus enhance their safety awareness, investors are still required to sign the risk disclosure statement prior to trading on TIB. Furthermore, the TWSE will enhance the rigor of innovation assessments to ascertain the quality of listing startups. The improvements in policy, trading systems, and funding sources will make TIB the top listing platform for innovative companies,

bringing together more outstanding companies with high growth potential into industry clusters, and accelerating the momentum of Taiwan's capital market.

#### IR ENGAGE launched to attract global funds and connections

The TWSE officially launched IR ENGAGE in November 2024, a platform dedicated to promoting two-way dialogue and engagement between listed companies and institutional investors. With the comprehensive upgrade of TIB in 2025 and further refinement of this platform, the TWSE will work with institutional investors to expand international funding for startups, connect with overseas startup ecosystems, and position Taiwan as the preferred listing destination in Asia. By strengthening international connections and attracting international funds, the TWSE will continue to encourage international startups to list in Taiwan, cementing our role as Asia's innovation hub.

#### Capital market spurs growth of new economy industries

In 2024, the TWSE actively promoted the development of new economy industries, including green energy and environmental services, digital and cloud services, plus biotech and medical care, assisting 14 companies to apply for listing and successfully raising TWD15.544 billion in funds on the capital market. The number of listed companies grew by 75% and fundraising grew by 298% compared to the previous year. This demonstrates our capital market's support for emerging industries, reinforces our competitiveness among global markets, and lays a sound foundation for future industrial innovation and development.



Initiative	Content	2024 Achievements
Promote listing of domestic companies	Conducted on-site visits, video conferences, phone calls, emails, or received visits from high-quality domestic companies more than 100 times.	<ul style="list-style-type: none"> <li>There were 24 companies that submitted applications for listing, four companies applying to transfer from TIB to the General Board, and <b>30</b> were successfully listed (including TIB).</li> <li>Held <b>5</b> seminars in collaboration with underwriters to promote the listing of outstanding companies.</li> <li>Held <b>4</b> seminars in collaboration with accounting firms to promote the listing of outstanding companies.</li> </ul>
Promote overseas companies to list in Taiwan	Conducted listing promotion events in the US, Vietnam, Singapore, Malaysia, Indonesia and major markets; for companies recommended by intermediary institutions, listing service teams were sent to conduct in-person visits, providing them with pre-listing consultation services to accelerate their preparation for listing application.	<ul style="list-style-type: none"> <li>A total of <b>7</b> foreign issuers submitted applications for primary listing, of which <b>6</b> were successfully listed (including TIB).</li> <li>Conducted <b>13</b> overseas investment promotion activities, including eight in ASEAN countries (three in Vietnam, two in Singapore and Malaysia, and one in Thailand, Indonesia, and Singapore), two in China, one each in the US, Japan, and Korea. Conducted an enterprise forum in Singapore, with over <b>40</b> business representatives participating.</li> <li>Hosted eight seminars highlighting Taiwan's capital market; and visited <b>45</b> local companies to promote listing in Taiwan.</li> </ul>
Relax TIB regulations	<ul style="list-style-type: none"> <li>Removed the qualified investor restrictions.</li> <li>Enhanced the rigor of innovation assessments.</li> <li>Established a flexible and friendly fundraising environment.</li> <li>Strengthened protection of investor rights and interests.</li> </ul>	<ul style="list-style-type: none"> <li>Removed the qualified investor restrictions to attract more innovative enterprises from Taiwan and abroad as well as investment to our capital market. To boost trading momentum and offer more diversified trading opportunities, TIB will adopt the same trading system as the General Board, including margin trading, securities lending, and intraday (after-hour) odd lot trading.</li> <li>The TWSE will consult external experts to enhance the rigor of innovation assessments, ensuring the listing of innovative companies with outstanding quality, to create a listing platform preferred by all sectors.</li> <li>Relaxed regulations requiring companies applying to list on TIB to allocate 10% of their shares for public sale before listing. Companies applying to transfer from TIB to the General Board and meet the requirement for dispersion of shareholding are exempt from the requirement for public sale before listing.</li> <li>Several measures have been introduced to enhance listing review and supervision. These include: raising the approval threshold for TIB Listing Review Committee decisions to at least two-thirds of attending committee members; limiting sales to group-affiliated or related entities to no more than 70% of total sales; requiring disclosure of plan to enhance corporate value for businesses experiencing severe declines or losses; mandating biannual investor conferences for all TIB listed companies; and increasing the inspection rate of underwriting firms' compliance assistance activities.</li> </ul>
Reinforce market promotion and investor relations	Publicized the loosening of TIB regulations by visiting listed companies, increasing media exposure through press releases and in-depth coverage, and conducting briefings for intermediaries. Enhanced transparency of financial and business information disclosed by TIB listed companies to attract innovative companies to list, build momentum among new industries, and form innovative industry clusters.	<ul style="list-style-type: none"> <li>Conducted on-site visits, meetings, and video conferences with innovative companies <b>58</b> times, continuing to track IPO progress schedules and provide consultation as needed.</li> <li>Conducted <b>26</b> events to publicize TIB; <b>8</b> events were conducted to promote the loosening of TIB regulations, attracting more than <b>600</b> companies to participate.</li> <li>Conducted <b>1</b> event to showcase TIB achievements; investor conferences for TIB listed companies are held regularly each quarter.</li> <li>Participated in startup expos, such as Meet Taipei Startup Festival and Meet Greater South, as well as events held by the Taiwan Venture Capital Association and annual meetings of venture capitalists.</li> </ul>

## 22 Optimize the trading system

The TWSE continues to refine market surveillance and enhance transparency. To strengthen market order and investor protection, we set up a dedicated investor service hotline, reinforced professional training for customer service personnel, and established and regularly update our FAQ database to provide investors with up-to-date, reliable information. The TWSE also undertakes reform measures to improve market liquidity and trading efficiency, ultimately creating a more robust and transparent capital market that attracts international investment and supports financial inclusion.

### Greater ease for foreign investors

- Allow foreign investors to appoint more than one custodian institution

To create a friendly investment environment, attract more international capital, and enhance the efficiency of foreign investments in the Taiwan capital market, the FSC announced that offshore foreign institutional investors can appoint more than one custodian institution, but shall designate one primary custodian institution and not more than three secondary custodian institutions, effective from February 24, 2025. This rule change was effected due to the advocacy efforts of custodian institutions in recent years, requesting on behalf of their foreign clients to allow the appointment of more than one custodian institution; global custodian institutions also made similar recommendations during Chairman Lin's visits with the FSC to major institutional investors in Singapore, Japan, and the US in 2023.

- Expand scope of employee stock ownership trusts

The TWSE is studying the feasibility of allowing overseas and foreign employees of listed companies and their overseas affiliated companies or offices to participate in domestic employee stock ownership trusts, so as to facilitate the talent development strategies of issuing companies and attract international companies to list in Taiwan.

### Refine trading mechanisms and boost market liquidity

- Odd lot settlement-driven SBL

Starting December 30, 2024, odd lot securities are included in settlement-driven securities borrowing and lending (SBL), to provide greater market flexibility, optimize the use of on-hand odd lots, and promote order in market settlements.

- Refine intraday odd lot trading

To increase transactions and optimize trading efficiency, odd lot trading matching intervals were shortened from one minute to five seconds starting December 2, 2024.

## 23 Diversify products and invigorate carbon market

To promote sustainable development and meet investors' demand for diversified products, the TWSE and its subsidiaries have actively developed innovative financial products such as ETFs, ETNs, and sustainability indices, injecting new momentum into the capital market. The amount and asset size of sustainability related products have grown year by year, reflecting the increasing importance of sustainable investment to investors, and forming a positive cycle wherein companies focus more on ESG performance.

### Diversify products and enhance competitiveness of the asset management industry

In coordination with the policy to build Taiwan as an Asian Asset Management Center, the TWSE completed regulatory and system adjustments in December 2024 to launch actively managed ETFs and passive multi-asset ETFs, while providing relevant market consulting and technical services to domestic and foreign asset management companies. These products are a step forward for financial inclusion, allowing Taiwanese investors to enhance their allocation efficiency with more diversified ETF products. Furthermore, product innovation will drive the development of asset management firms, advance the skill set of professional talent, and raise overall competitiveness.

### Seminars for listed companies and underwriters

In 2024, the TWSE held eight Business Seminars for Listed Companies, with over 1,200 participating representatives from listed companies (including executives in accounting, internal audit, information services, and legal affairs). The seminars focused on a wide range of topics, such as material information and trading suspension, recent regulatory amendments, revisions to information disclosure regulations, corporate governance updates and practical applications, cybersecurity, and carbon trading. Furthermore, the TWSE held four seminars for underwriting businesses in 2024, covering topics such as the latest amendments to domestic and foreign listing regulations, matters of note during the listing review process, and corporate governance issues. By engaging representatives from listed companies and underwriters in bilateral communication during the seminars, the TWSE reiterated the principles of timeliness, accuracy, and completeness for information disclosure, thereby facilitating market information symmetry and transparency.

### ETF market development and promotion

To provide guidance to new investment trust personnel, promote awareness and understanding of actively managed ETFs and passive multi-asset ETFs, as well as the latest regulatory and policy changes, and collect feedback on new products and trading systems, in 2024 the TWSE paid 17 on-site visits to ETF issuers, conducted four sessions of ETF seminars for the Securities Investment Trust and Consulting Association (SITCA), and conducted one seminar for investment trust personnel.

### Sustainability-related index products and ESG investment

The TWSE supports the government’s push for renewable energy and energy technology. As of the end of 2024, the TWSE purchased TWD700 million in green bonds issued by Taiwan Power Company. We have also made great strides in developing ESG-themed indices. Working with S&P Dow Jones Indices, in 2024, TIP launched the “S&P TIP Taiwan Carbon Reduced ESG 50 Index” to be compatible with Taiwan’s 2050 net zero goal and provide market participants with a new sustainable investment option for net zero transformation. The “TIP Taiwan Gender Equality Index” was also launched, highlighting companies that prioritize gender equality issues. As of year-end 2024, ESG-related indices issued by the TWSE and TIP have been successfully licensed to issue ETFs and ETNs, reaching a total AUM of TWD380 billion, up 31% over the previous year. Furthermore, the TWSE and TIP account for a commanding 80% of the underlying indices of domestic securities ETFs.

### ESG-related ETF and ETN market developments

As of year-end 2024, there were 20 ESG-related ETFs and ETNs, with a trading value of TWD667.126 billion and TWD502 million respectively.

- Trading value and market size of ESG-related ETFs and ETNs in 2024

Product	ETF	ETN
<b>Products</b>	<b>17</b> (10 ESG ETFs and 7 ETFs tracking ESG indices)	<b>3</b>
<b>Trading value</b>	TWD <b>667.126</b> billion (+31%)	TWD <b>502</b> million (-31%)
<b>Issuance/AUM</b>	TWD <b>531.125</b> billion (+52%)	TWD <b>4.47</b> billion (+15%)





Note: The above statistics are as of the end of December 2024; the figures in parentheses are compared with the same period in 2023.



Looking forward, the TWSE and its subsidiaries are committed to integrating sustainability and innovation, accelerating index development, supporting the issuance of diversified financial products, and strengthening publicity and promotion. The development of more diversified ESG products and instruments can guide investment funds toward sustainable development. This incentivizes companies to focus more on ESG factors, thereby boosting the growth of a holistic ESG ecosystem and building our market's competitive advantage.

### Continue promoting the development of the carbon market

Working hand in hand with the TCX, the TWSE will work to achieve Taiwan's net zero goal through the following four approaches:

<p><b>Foster green talent</b></p> <p>Conduct carbon management training to nurture net zero and sustainability-related skills of green professionals.</p>  <p style="font-size: 2em; color: orange;">1</p>	<p><b>Promote voluntary reduction</b></p> <p>Ensure that carbon credit trading becomes a driving force for industry emissions reduction.</p>  <p style="font-size: 2em; color: orange;">2</p>
<p><b>Strengthen global connections</b></p> <p>Continue to introduce international carbon credits to help companies achieve net zero emissions.</p>  <p style="font-size: 2em; color: orange;">3</p>	<p><b>Create low-carbon innovative clusters</b></p> <p>Support the development of innovative, low-carbon industries.</p>  <p style="font-size: 2em; color: orange;">4</p>

Aligning with Taiwan's 2050 net zero goal, the TCX launched the International Carbon Credit Trading Platform in December 2023 and Domestic Carbon Credit Trading Platform in October 2024, providing channels for enterprises to purchase carbon credits. The TWSE and its subsidiaries will continue to synergize the carbon trading market through various measures to help Taiwan make strides toward net zero emissions.



Group photo at the launch of the Domestic Carbon Credit Trading Platform; from left: Deputy Minister Shih Wen-Chen of the Ministry of the Environment; Deputy Minister Kao Shien-Quey of the National Development Council; Kaohsiung Mayor Chen Chi-Mai; TCX Chairman Sherman Lin; Vice Chairperson Jean Shu-Chen Chiu, FSC; and Chief Secretary Chuang Ming-Chih, Ministry of Economic Affairs.