

8	Deposit insurance and resolution of impaired financial institutions	<ol style="list-style-type: none"> 1. Making sure that the vast majority of retail depositors are protected. 2. Establishing a regime for the orderly resolution of impaired financial institutions.
9	Global cross-border financial institutions	<ol style="list-style-type: none"> 1. A crisis coordination mechanism and contingency plans should be in place for domestic regulators, the central bank and the Treasury. 2. Establishing a college of supervisors for large and complex financial institutions. 3. Organizing a task force for crisis management of cross-border financial institutions so as to improve information sharing during emergent times.
10	Consumer protection and anti-money laundering	<ol style="list-style-type: none"> 1. Establishing an independent agency for consumer protection and education. 2. Implementing prudential measures to deal with financial transactions relating to tax havens, money laundering, corruption and terrorists.

Sources: IMF, BCBS, SSG, G-20 Summits, and official government websites in the UK, the US and the EU.

5.2 Implications for financial reform in Taiwan

In view of the above-mentioned international proposals for financial reform, current financial regulation in Taiwan has, in some areas, made significant progress, such as:

- All systemically important financial institutions are covered by current financial regulation;
- A well-established deposit insurance scheme and resolution mechanisms for impaired financial institutions have been put in place;
- Regulators have actively engaged in the improvement of consumer financial education and protection; an exclusive chapter for coping with consumer disputes involving financial services is included in a draft of the Financial Services Act; and
- Significant progress has already been made in facilitating anti-money laundering work. For example, anti-terrorism is governed by the Money Laundering Control Act, which was amended in 2009; the required amount of large cash transactions that should be reported by financial institutions has been lowered to NT\$500,000 from NT\$1,000,000.

In terms of international cooperation of financial supervision, considering that internationalization with respect to either financial institutions or financial markets in Taiwan is not as developed as that of the US or European countries, the authorities can actively seek opportunities for participation in international cooperation of cross-border supervision.

With regard to other key issues and recommendations listed in Table 5.1, the relevant authorities may make reference to them and make appropriate adjustments. In this fashion, the CBC and the FSC have deliberated on some of the recommendations and are considering the feasibility and alternatives of implementing them in Taiwan. These include:

- Enhancing macro-prudential supervision;
- Increasing the quality and level of capital requirements for financial institutions;
- Strengthening risk management in financial institutions;
- Reforming financial institutions' remuneration systems;
- Enhancing supervision and infrastructure for securitization and OTC derivatives; and
- Improving the surveillance and transparency of credit rating agencies.