

18. Responding to the Y2K Issue

The Bank closely monitored financial institutions' preparations for possible Y2K problems on a monthly basis. Measures were taken to prevent problems from happening:

- (1) The Bank continuously urged financial institutions to fully prepare themselves by conducting detailed examination on system testing and equipment renewal. Each bank was also required to devise emergency plans in case of the potential Y2K crisis. Evaluation tables and work sheets were designed and provided to the financial institutions for self evaluation.
- (2) As liquidity demand might sharply rise as the Y2K approached, open market operations and discount window accommodations were implemented to ensure financial institutions had sufficient liquidity to meet the demand. A safety stock of NT-dollar cash was also fully prepared in advance to meet the withdrawal demand from the public.
- (3) A task force for Y2K problems was set up between the year-end and January 4, 2000, to closely monitor developments in international financial markets and their interactions with domestic financial institutions. The Bank's accounts with the financial institutions were examined in detail.