

15. The Adoption of a Central Government Bond Book-Entry System

The Bank initiated the conversion of physical bonds into the book-entry form in January 1999. By the end of 2000, 24 issues of book-entry government bonds had been made, amounting to a total of NT\$839.3 billion. With another NT\$374.3 billion of physical bonds being converted into book-entry form, the total amount of book-entry government bonds circulating in the market reached NT\$1,213.6 billion, which accounted for 50 percent of the total value of the bond market. Monthly transactions in such bonds exceeded NT\$5,100 billion, making up 70 percent of bond market transactions. In addition, the Bank has increased the number of clearing banks to 19 to further facilitate bond market transactions.

16. Developing Taiwan as an Asia-Pacific Regional Financial Center

The Executive Yuan (Cabinet) assigned the Bank with the responsibility of overseeing and promoting the Asia-Pacific Regional Financial Center Plan on January 5, 1995. The Bank has regularly held meetings with the Ministry of Finance, the Council for Economic Planning and Development and other relevant government agencies since March 1995 to coordinate various stages of the task, review progress in the implementation of the Plan, and resolve related issues. Various laws and regulations have been revised as foundations and different measures have been implemented as prerequisites for developing the Center. The Bank has further relaxed the restrictions on the inflows and outflows of capital, promoted the privatization of state-owned commercial banks, established a credit-rating system, broadened the scope of the financial industry, and implemented other measures to facilitate the establishment of the Center.

In October 2000, the Executive Yuan passed the Global Logistics Center Plan, which is to integrate the manufacturing, sea-freight, air-link, financial, telecommunications and media centers developed since the launch of the Asia-Pacific Regional Operations Center Plan in 1995. The Plan is also aimed at incorporating developments in financial infrastructure, foreign exchange and other financial markets, and asset management, with the final goal of developing Taiwan into a global logistics center.