

Globalization: Turning the Shared Market into Sharing Markets

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Outline

- 1) The Impact of Globalization on Exchanges
- 2) Our Responses
- 3) Concluding Remarks

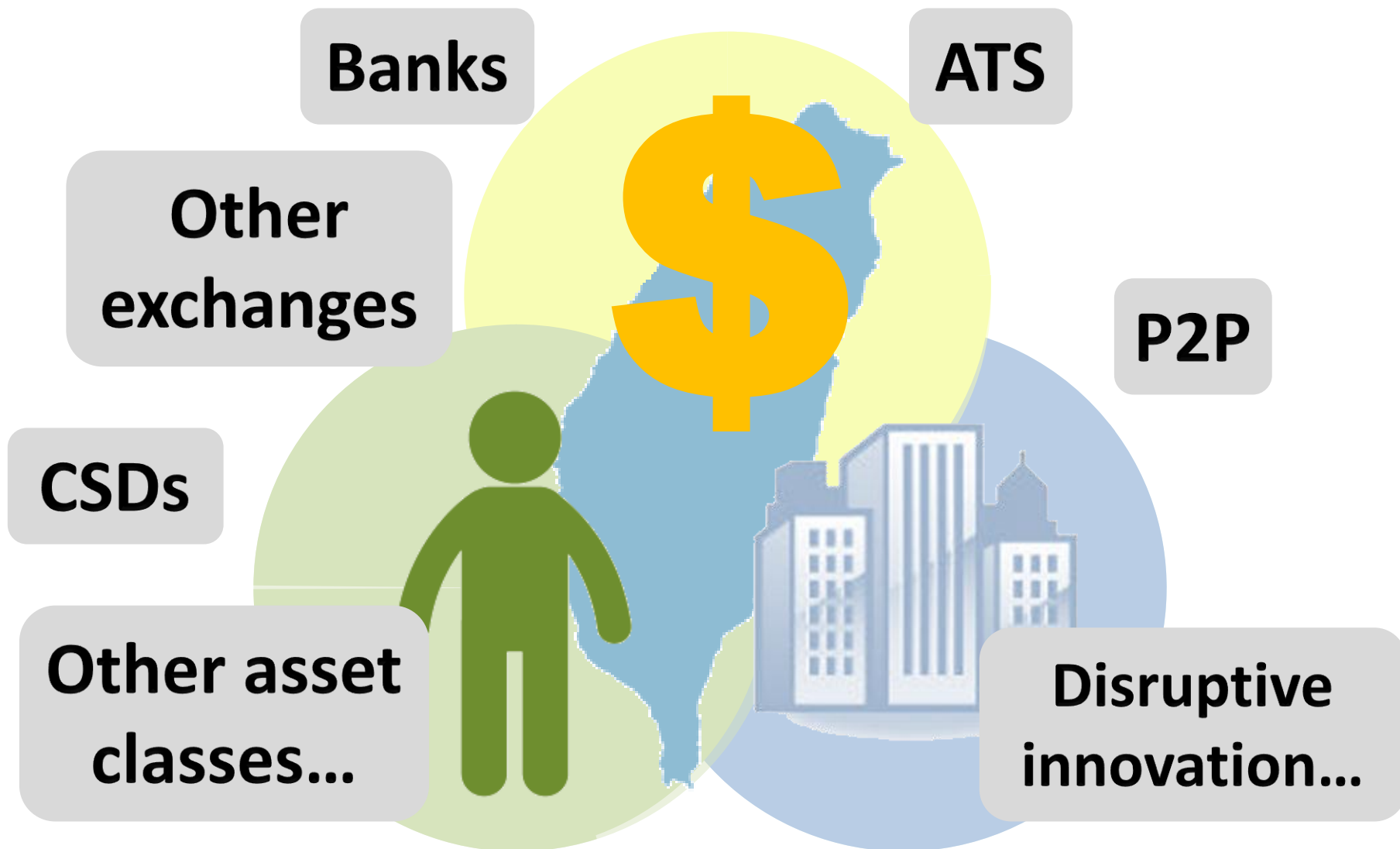


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Globalization

Transparency · Fairness · Diversification

Who Shares Your Market?



Globalization Brings...



**Sharing markets creates
prosperity for all.**

Growth of Cross-Border IPOs

- 129 cross-border IPOs in 2014 have reached a record high since 2007
- American exchanges account for 52% by number and 80% by capital raised

American Cross-Border IPOs from

Greater China **16 (US\$29.4 bn)**

Europe **26 (US\$6.8 bn)**

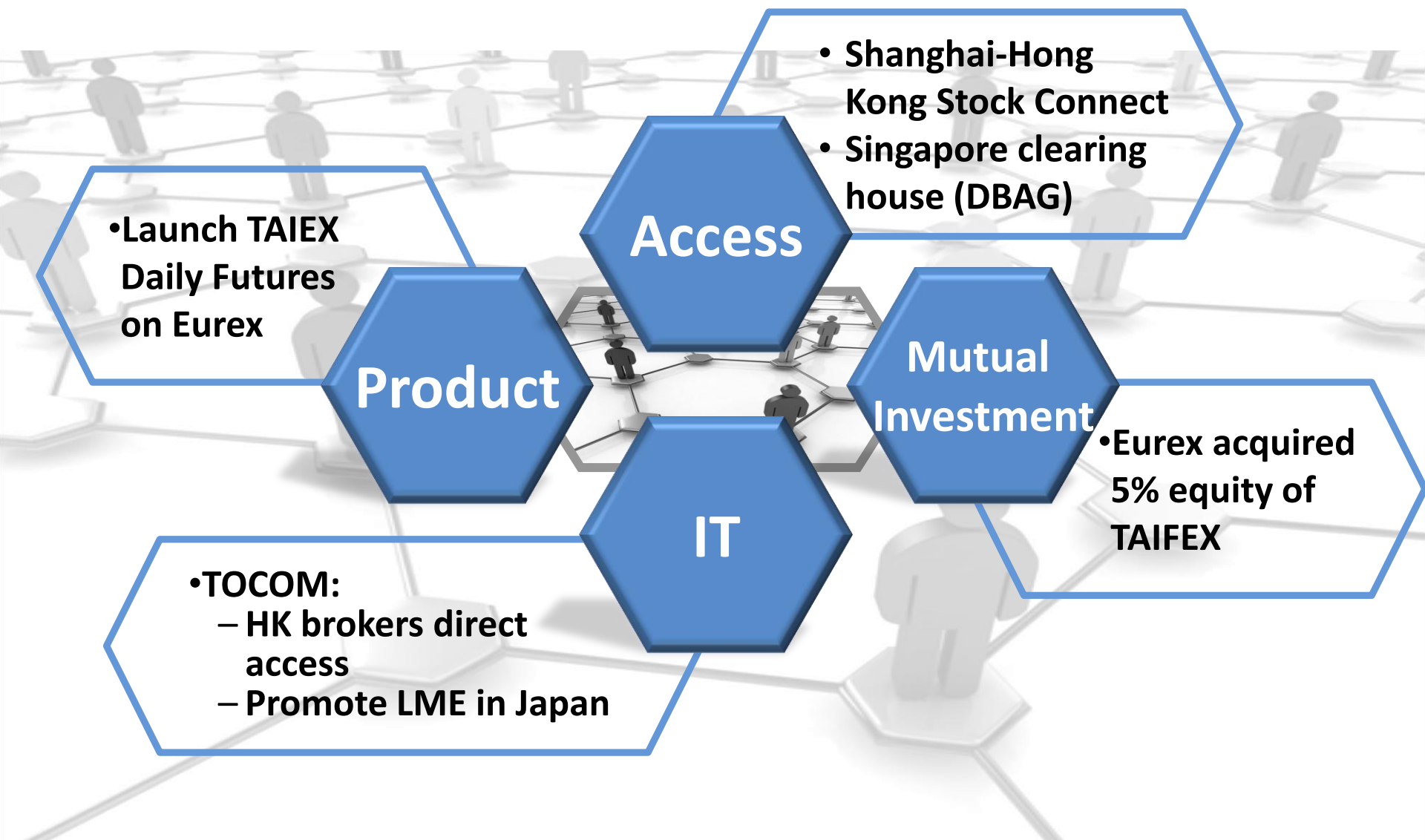
Israel **12 (US\$2.0 bn)**

8 countries **13 (US\$ 2.5 bn)**

**Alibaba Group
raised US\$25 bn
listing on NYSE**

Source: Ernst & Young, *EY Global IPO Trends 2014 Q4*

Connectivity and Cooperation



Another Story of Globalization



Hong Kong
Exchange

Shanghai-Hong Kong Connect



Shanghai
Stock Exchange

A50
Spot

CSI 300/
SSE 50
ETFs

A50
Futures



Taiwan
Stock Exchange



Singapore
Exchange



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Our Responses

Transparency · Fairness · Diversification

TWSE: Market Overview

TDR/WARRANT/STOCK/ETF

(Numbers)

23

12,046

866

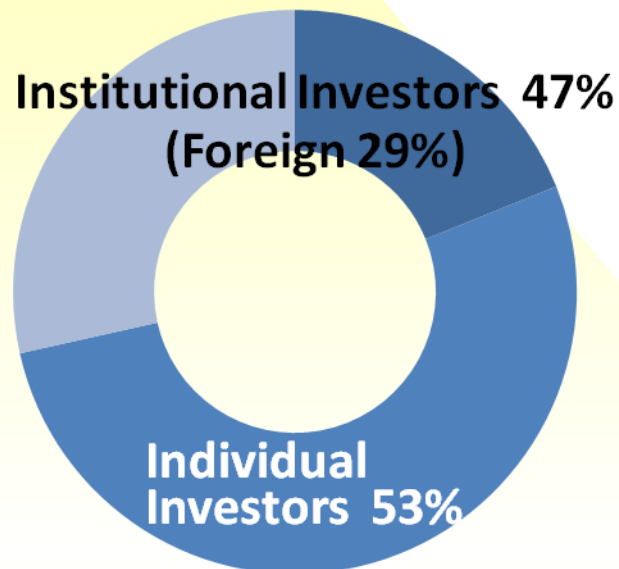
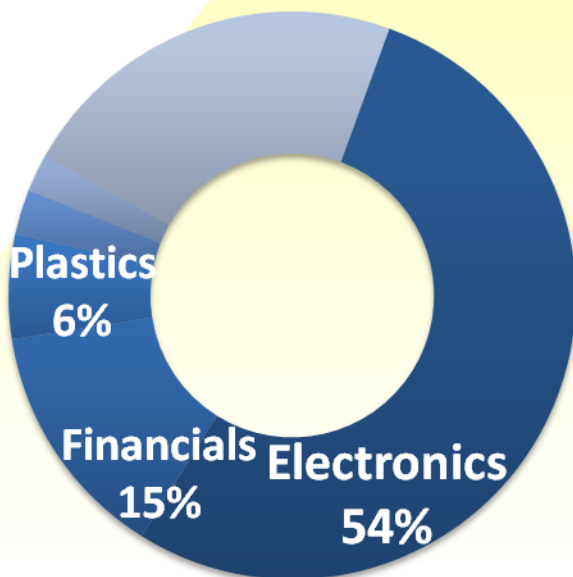
33

721B

Market Cap.
(USD)

484B

Trading Value
(USD)



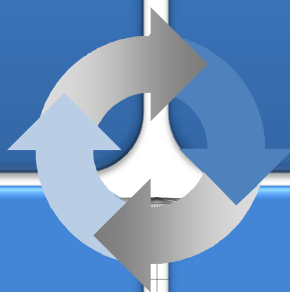
Our Responses

**Product
Development**

**Market
Quality**

**Market
Infrastructure**

**Market
Connectivity**



Product Development

ETFs with Offshore Components

- **China**
- **Hong Kong**
- **Japan**

ETFs based on Global Indices

- **S&P GSCI Gold Express Return Index**
- **S&P GSCI Crude Oil Enhanced Excess Return**

Foreign Currency-denominated Products

Market Quality

- CG e-newsletter
- CG evaluations
- Education programs
- Communication/coordination platform

Corporate Governance Center

5-year CG Roadmap

- Three pillars of discipline:
 - Market mechanisms
 - Self discipline
 - Regulatory discipline
- Review on rolling basis

Raise Taiwan Capital Market Asset Class Value

Social Responsibility

- CSR reports
- SR-related indices

Shareholder Rights

- SFIPC(*)
- E-Voting
- Voting by poll
- Candidate nomination system

*SFIPC: Securities and Futures Investors Protection Center

Market Infrastructure

New Data Center

- TIA-942 Tier4

New Trading System

- FIX/FAST
- Higher trading speeds
- Expansion of capacity

Modernization of TWSE Regulations

- Transparency
- Deregulation
- Business reengineering

Market Liberalization

- Day trading
- Price limit 7%→10%
- Expansion of brokers' business

Market Connectivity

Cross Marketing

- JPX-IR Festa (Mar. 2015)
- Taiwan Stock Market Expo (Dec. 2015)
- Global Roadshow

Expertise Cooperation

- ETF and CG development experience sharing: Hanoi
- Indices co-compiling

Cross Listing

- TAIEX Daily futures launched on Eurex
- ETFs cross-listing
- Listed companies cross-listing

Trading Link

- Order Routing
- TWSE sub-brokerage mechanism
- Trading connection



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Concluding Remarks

Transparency • Fairness • Diversification

Access, Chain, Globalization

- **More access, less limitation:**
 - Shared markets bring newcomers.
- **Building a chain of niche markets:**
 - Link and share with markets to satisfy customers' needs.
- **Globalization:**
 - Global sharing markets create growing prosperity for all.



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Thank You!

Accessibility

Efficiency

Quality

Invest Taiwan

Connect Asia

Reach Global

Transparency • Fairness • Diversification