



SWIFT business forums 2008

Taiwan report

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Taiwan contacts

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Fast facts

Taiwan
11-12 June

Delegates:

Day 1: 90

Day 2: 100

SWIFT partners:

- ARES
- BCS Information Systems
- Clearstream
- SIDE International

Traffic:

- 622,781,628 messages (YTD 2008)
- Average daily traffic: 15,006,786
- 22.20% growth YTD

Live customers: 8,385



Harmonisation can boost Taiwan as a value-added international financial service center

The continued rise of Asia Pacific's economies is a bright spot in an otherwise uncertain global economic climate. In this environment, financial industry decision makers are asking if the factors driving harmonisation can enhance economic growth and the competitive position of the finance sector in Taiwan. How can Taipei enhance its position as an international financial center? Will closer integration with global financial markets benefit Taiwan's financial industry? How will cross-strait relations with China impact the Taiwan financial sector?

These issues were the focus of analysis and debate by 20 industry leaders at the annual SWIFT Business Forum in Taipei on June 11 and 12. The Forum attracted 140 delegates.. The topic of the opening session "Growth and competitiveness of the Taiwan financial sector" set the framework for lively debate during the two-day event.

Taiwan: a regional hub of value-added services

Jeffery Wong, Managing Partner, McKinsey & Company, noted the counterpoints? of Taiwan's financial market position among Asia's most mature and the economic clusters mushrooming in Mainland China over the next 10-20 years. "Openness to foreign banks and market consolidation in Taiwan will definitely help Taiwan to become a value-added financial service center in the region and prevent the island's banks from being marginalized in favour of regional and global institutions."

Kathryn Miller, Managing Director and Head of Technology, Asia Pacific, JPMorgan, captured the essence of the Business Forum. "Collaboration and harmonisation in the financial services sector in Asia can go beyond delivering efficiencies in settlements, liquidity and reduced costs to positively shaping the future of securities trading, payments and financial market infrastructures."

Michael Ding, Chairman and CEO, Fubon Investment Services Co., Ltd. suggested potential future directions for banks in Taiwan. "Investment banking, wealth management and multinational finance should be the future business pipelines for financial services to target. In addition, corporate governance, asset management and service quality should be emphasised to aggressively expand regional business and take advantage of the Asian economic development trend."



Norman Yin, Dean, the Center for Asia-Pacific Monetary Studies & Professor of Department of Money & Banking, National Chengchi University, kicked off the 'Taiwan as a wealth management center' session and shared his views.

Professor Shen Chung-Hua, Department of Finance, National Taiwan University, provided his observations of the cross-strait competition with China as well as future developments and their impact on the Taiwan financial sector. He listed the greater openness to China, market consolidation and restructuring of the banking system in Taiwan as critical issues faced.

Neil Stevens, Head of North Asia, SWIFT commented on Taiwan's role within the regional financial system. "Asia Pacific economies and financial markets are today woven into the fabric of the global financial system. Taiwan's important role as a regional value-added financial service center is increasingly clear. It's not just about the size of the market; but Taiwan's unique position in the regional and global financial sector."

The opening plenary, "Developments in the global payments industry" featured animated discussions on which evolving business drivers are forcing banks to alter their payments strategies and suggestions for changing their relationship with infrastructure providers. Proposed approaches included how to adopt new business models and how to respond to the needs of corporates, providing efficiencies in payments and settlements, and more. Participants included the of Bank of America, Citibank and Standard Chartered Bank.



Day one closing plenary panel discussion, from left to right: panelist Norman Ying (National Chengchi University), Philippe Bonval (HSBC IFS), Agnes Chick (Bank of America), Randy Wang (Citibank) and Eric Tsai (Standard Chartered Bank).

Randy Wang, Vice President, Cash Product Management of Global Transaction Services, Citibank. talking about Citibank's adoption of SWIFT's Exceptions & Investigations solution issued a call for action. "The financial sector needs SWIFT to become more agile and supportive to the needs of the financial community in Taiwan." He cited as an example experience of the SWIFTNet solutions in the North American market in facilitating better foreign currency exchange clearing and confirmation. He also mentioned that the island's financial players need to work more closely with international banks.

Taiwan as a wealth management centre

A special topic in the afternoon session of the first day was, "Taiwan as a wealth management centre." Panelists representing a cross-section of industry views and organisations in the financial sector explored together the barriers to and enablers of integration including the business case and potential payback scenarios; the role of multilateral initiatives; and collective alternatives vs. existing bilateral arrangements and proprietary solutions.



Group photo of panelists, guest speakers and Tracy Lin (SWIFT).

Norman Yin, Dean, the Center for Asia-Pacific Monetary Studies & Professor of the Department of Money & Banking at National Chengchi University, kicked off this session with an assessment of Taiwan's efforts starting some 18 years ago to become an international finance centre as an aspiration which has yet to be realised. Professor Ying did, however, offer thoughtful recommendations to the Government of Taiwan to create an international wealth management centre. His suggested approach included capital markets consolidation, opening the Taiwan Stock Exchange to foreign listings and a "big bang" for both de-regulation and re-regulation.



A view of the audience.

In addition to Professor Yin, this session also included guest speakers from Clearstream, HSBC, Money+ Publication, and PricewaterhouseCoopers. Topics encompassed wealth management from the high net worth individual's perspective, investment fund management services and how the financial sector can more effectively manage both external financial declarations and inspection and verification of information.

Taiwan prospects still positive

During the closing plenary discussion also hosted by Professor Yin, the panelists were unanimously positive in their assessment of Taiwan's prospects in the face of the financial turbulence of world markets in response to queries by the audience. The questions ranged from the differences and potential barriers within the financial sector encountered while servicing clients in Taiwan, Hong Kong and Singapore, the need for a common infrastructure and standardisation of the financial messaging system, the degree of government openness to foreign exchange clearing, and regulatory requirements.

Enabling success now and tomorrow

A highlight of the second day plenary was the presentation "The Brave New World of XML for Standards" by Robert J. Blair, CCM, Treasury Services, from JPMorgan. Though ISO 15022 is expected to have a 10 year lifespan, the adoption of SWIFT's ISO 20022 compliant XML messaging system is designed for easy co-existence with ISO 15022. "Global harmonisation and requirements for stronger market infrastructure and regulatory requirements require the more robust messaging delivered by ISO 20022 XML messaging to cover functions not delivered by ISO 15022, such as funds automation, Exceptions & Investigations and covering the supply chain through trade service utility." Audience interest was high as JPMorgan is currently beginning implementation of ISO 20022 XML.

Philippe Bonval, Head of TA Implementation Asia Pacific/Europe, IFS at HSBC was enthusiastic about the expected benefits of HSBC's forthcoming adoption of ISO 20022, "We intend to streamline our transfer agency service through the ISO 20022 standard via fully automated processes and workflow engines to grow our funds management business."

Day two of the Business Forum included two streams - Business and Technology, where SWIFT clients shared their experiences on how SWIFT solutions had helped enhance their overall operations. The SWIFT community also enthusiastically welcomed briefings on SWIFT solutions such as SWIFTNet Exceptions & Investigations to reduce time to market; how the new SWIFTNet Phase 2, a Relationship Management Application can reduce exposure to risk; as well as enhancements to SWIFTNet Trade Services Utility.



Welcome cocktail reception.



Robert J. Blair of JPMorgan discussed the 'Brave new world of XML for Standards'.

SWIFT links

- [SWIFT Solutions](#)
- [SWIFT Partners](#)
- [Sibos 2008](#)

Upcoming SWIFT business forums in the region

- Mumbai – 18-19 November 2008

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