



OXFORD ANALYTICA

TAIWAN

MONETARY TRANSPARENCY

Country Report 2006

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TAIWAN



COMPLIANCE RATINGS

<i>Monetary transparency</i>	2006	2005	2004	2003
Clarity of roles	●●●	●●●	●●●	●●●
Open decision process	●●●●	●●●●	●●●●	●●●●
Availability of information	●●●●	●●●●	●●●●	●●●●
Central bank accountability	●●●●	●●●●	●●●●	●●●●
Score	3.75	3.75	3.75	3.50

OUTLOOK & COMMENTARY

The Central Bank of China (CBC) continues to maintain a high level of transparency in its operations, although there have been no major changes to monetary transparency over the past year. However, if the proposed amendments to the CBC Act are passed, monetary transparency and central bank independence will be enhanced. The new CBC Act is designed to increase its independence, and also contains stipulations for the release of the minutes of the CBC Board of Directors meetings, which will enhance monetary transparency. However, the process has stalled in the legislature due to political conflict.

Taiwan does not foresee moving to an inflation-targeting regime in the near future, but the central bank is interested in studying the issue in greater detail. At present, the CBC operates a monetary-targeting framework.

Over the past year, the Financial Supervisory Commission has strengthened financial surveillance of the banking sector through regulations on financial reporting by banks. These aim to bring disclosure requirements in line with international accounting practices. This is particularly important as the current rise in credit card lending may begin to lead to the emergence of non-performing loans.

EXECUTIVE SUMMARY

3.75 Compliance in progress

The Central Bank of China (CBC) continues to operate as an independent and transparent central bank. There have been no significant changes to monetary transparency in the past year. However, although the CBC does not plan to introduce inflation targeting in the near future, it has expressed an interest in discussing this issue with other countries that implement inflation targeting.

Amendments to the CBC Act have stalled in the legislature partly due to political conflict, and do not appear to be a priority relative to other bills waiting to be passed.

Financial stability is one of the top government priorities, and in January 2006 a Financial Stability Assessment Section was set up in the CBC. The section will compile financial soundness indicators (FSIs) based upon Compilation Guides for FSIs issued by the IMF. Both the CBC and Financial Supervisory Commission (FSC) have strengthened regulations on reporting by financial institutions in the past year. In May 2006, the CBC amended its Directions for Reporting and Displaying Interest Rate Information by Financial Institutions. Since late 2005, the FSC has taken steps to amend financial report requirements for publicly held banks, bills finance companies and Financial Holding Companies to bring them into line with international standards and to harmonise disclosure requirements.

The CBC produces a range of periodic publications on monetary policy conduct. The Ministry of Audit, which is the government's supreme supervisory body, and the Directorate-General of Budget, Accounting and Statistics (DGBAS) perform external audits. Although Taiwan is not a member of the IMF, the central bank broadly complies with the IMF Special Data Dissemination Standard for the release of financial and external sector statistics.

Taiwan's overall score is unchanged from last year.

1. CLARITY OF ROLES, RESPONSIBILITIES AND OBJECTIVES OF CENTRAL BANKS



The objectives and institutional framework of monetary policy

The objectives and institutional framework of the Central Bank of China (CBC) are defined in the Central Bank of China Act, promulgated in 1935 and amended in 1979.¹

Central bank objectives and responsibilities

Article 2 of the CBC Act states that the primary objectives of the central bank are: to promote financial stability; to guide sound banking operations; to maintain the stability of the internal and external value of the currency; and to foster economic development within the scope of the above objectives.²

The CBC is continuing to push for a new Central Bank of China Act. Once approved, the board of directors of the CBC will serve on a full-time basis and have their tenures staggered to further enhance the professionalism and independence of the central bank.³ Nevertheless, the 'Basic Organization Code of the Central Government', effective since June 2004, specified that the Central Bank act as an independent agency.

A new legislature was elected in Taiwan in December 2004. By law, all bills that were under review in the previous legislature must go back to the beginning of the review process. Amendments to seven key financial laws (Banking Act, Securities and Exchange Act, Insurance Act, Financial Holding Company Act, Act Governing Bills Finance Business, Trust Enterprise Act, and Credit Cooperatives Act) were promulgated by President Chen on 18 May 2005. The CBC Act had already passed the second reading, but it must now be re-submitted along with a number of other important bills that are waiting to be reviewed. It is not clear when the bill will be passed, given that the President's Democratic Progressive Party (DPP) are in a minority in the legislature and so lack the power to see their reform initiatives passed.

Operational autonomy

The original CBC Act was passed and amended long before the adoption of modern standards of monetary transparency. As a result, the terminology it uses does not explicitly address questions such as independence. The Act places the CBC under the jurisdiction of the Executive Yuan and grants the CBC the *de jure* status of a government ministry.⁴

The CBC claims to enjoy complete independence in terms of formulating monetary policy decisions, free of any pressure from the government. In the Taiwanese system of government, the CBC and the newly formed unified supervisory agency, the Financial Supervisory Commission, each have their own prescribed areas of responsibility with the Financial Supervisory Commission in charge of the financial system and the CBC in charge of setting monetary and foreign exchange policy.⁵

The CBC governor may not be removed from his position because of policy choices. According to Article 9 of the CBC Act, the governor is entitled to the position independent of any change in presidency or any Cabinet reshuffle. Both the governor and the deputy governors have protected terms of five years. As an illustration of CBC independence, the former ruling Kuomintang (KMT) appointed the current governor in 1998, and the current ruling

DPP has respected the CBC Act by not replacing him.⁶ The CBC Act does not have explicit provisions protecting the status of the governor; for instance, there is no clear stipulation of the terms under which he can be dismissed. In practice, however, no governor has ever been fired.

The revised CBC Act is designed, among other things, to increase the central bank's independence and to create an explicit legal basis for it. Under its provisions, the 15 directorships will be reduced to nine, and the directors will become full-time central bank employees forbidden to participate in political activities or to hold political office. No more than three of the nine directors may come from the same political party.⁷

Institutional relationship between monetary and fiscal operations

Lending to government

Monetary policy in Taiwan is strictly separated from the task of managing the government's debt. The CBC is in charge of the former, while the Ministry of Finance (MoF) is responsible for the latter. Although the CBC is involved in handling the tenders of central government securities, it is not allowed under the Central Government Development Bonds and Loans Act to purchase government bonds in the primary market. The CBC is thus effectively unable to finance budget deficits.⁸

The MoF keeps cash balances with the CBC. There is a formal contract between the MoF and the central bank for providing an overdraft facility to the central government, should there be an unexpected mismatch that depletes the available cash balances. However, this financing facility has never been used.⁹

Central bank involvement in the rest of the economy

The CBC Act states that the central bank may provide temporary advances to banks for periods not exceeding ten days. The CBC may also provide rediscounts of eligible bills -- with maturity not exceeding 90 days for industrial and commercial bills, and 180 days for agricultural bills -- and refinancing of secured loans not exceeding 360 days.¹⁰ The CBC is legally responsible for organising and managing the payment system in Taiwan. It operates and regulates the Inter-bank Fund Transfer System (CIFS).

In addition, the central bank is responsible for the flotation and redemption of government bonds, issued domestically or abroad, and of Treasury bills. However, the central bank may delegate these activities, whenever necessary, to other financial institutions.¹¹ The CBC Act also affirms that, in order to assist economic development, the CBC may establish various funds using savings deposited by financial institutions and other special funds to provide medium-term and long-term refinancing for banks.¹²

Central bank profit allocation

At the end of each financial year, the CBC sets aside 50% of any net profit as retained earnings. If the amount of accumulated legal retained earnings reaches that of the central bank's current capital, the percentage of net profits to be set aside may be reduced to not lower than 20%, subject to the resolution of the Board of Directors (BoD).¹³

Agency roles performed by the central bank on behalf of the government

Under the CBC Act, the central bank effects the operations of the National Treasury and manages the Treasury cash accounts. It further serves central government agencies in other financial matters, such as cash accounts, bills, and

securities (including receipts and payments), safekeeping and transfers, and the protection of other asset documents. It may delegate these operations to other financial institutions.¹⁴

The CBC is allowed to purchase and sell a variety of financial instruments in the open market. These include bonds issued or guaranteed by the government, financial bonds issued by banks, and bills accepted or guaranteed by banks. For the purpose of monetary regulation, the CBC may issue certificates of time deposits, savings bonds and short-term bonds, and it may buy and sell these in open market transactions.¹⁵ The CBC Act stipulates that the central bank should receive and maintain reserves against the deposits and other types of liabilities of other banks. At its discretion, the CBC may modify deposit reserve ratios within various limits for a range of deposit accounts and other types of liabilities.¹⁶

2. OPEN PROCESS FOR FORMULATING AND REPORTING MONETARY POLICY DECISIONS

●●●● Compliance in progress

The framework, instruments, and targets of monetary policy

Framework and monetary targets

The CBC is legally required to maintain price stability. In order to meet this primary goal, the central bank uses the M2 monetary aggregate as its intermediate target variable and monitors the movements of a wide spectrum of economic and financial variables. In executing its monetary policy, the CBC makes quarterly economic projections, sets annual growth rates for the M2 aggregate at the year-end for the coming year, and makes monthly projections of key financial variables that are consistent with the targeted monetary aggregates.¹⁷ There have been discussions regarding the adoption of inflation targeting, but as the CBC is of the opinion that monetary targeting (targeting growth in monetary aggregates as a means to control liquidity) still works well, it has no plans to adopt such a framework in the medium term. However, the CBC has expressed an interest in discussing this issue with other countries that implement inflation targeting.¹⁸

The CBC has, since 1979, pursued a managed floating exchange rate regime. In principle, market forces determine the New Taiwan dollar exchange rate. However, according to the CBC, it intervenes when seasonal or irregular factors -- for example, large and sudden movements of short-term capital -- disrupt the market and result in excessive volatility in the exchange rate.¹⁹ Taiwan possesses large amounts of foreign exchange reserves (as of November 2006, they stand at 265 billion US dollars).²⁰

Monetary instruments

The CBC uses a variety of instruments to manage monetary and exchange rate policy. The most important and commonly used are open-market operations with eligible securities. Other measures include a discount window policy for commercial banks, reserve requirements, re-deposits of financial institutions, and selective credit controls.²¹ These data are listed on the CBC website, and detailed explanations for any changes in the level of foreign reserves are given in press releases. Press conferences at the CBC are held daily.

The need to monitor capital flows has increased markedly since the removal of restrictions on them. The CBC has vowed to act to prevent speculative activities.²²

The monetary policy-making body

Monetary board

The principal body in charge of formulating monetary policy is the Board of Directors (BoD) of the CBC. It consists of between eleven and 15 members who are nominated by the Executive Yuan and appointed by the president. Within the board, there is an Executive Board, composed of seven executive directors who are selected by the BoD. The governor of the CBC, the minister of finance, and the minister of economic affairs are *ex officio* directors and executive directors. The agricultural, industrial and commercial sectors each have at least one representative on the board.²³

The CBC Act assigns the BoD a number of responsibilities. These are: to examine monetary, credit, and foreign exchange policies; to examine the adjustment of the central bank's capital; to approve the operational plans of the central bank; to inspect the budget and fiscal reports of the central bank; to examine and approve the major by-laws and regulations of the central bank; to oversee the establishment and abolition of the central bank's branch offices; to deal with the appointment and removal of the central bank's department heads, their deputies, and branch managers; and to examine relevant issues highlighted by the governor. The board may delegate all or part of these responsibilities to the Executive Board, whose resolutions are reported to the BoD for record and approval.²⁴

The revised CBC Act will cut the number of directors to nine, all of whom will be full-time executive directors. In addition, their tenures will be staggered so as to ensure continuity and independence. In order to reduce political interference, members of any one political party cannot make up more than one-third of the board. They will not be allowed to take part in any political activities during their tenure.²⁵

Advance meeting schedule

The BoD schedules meetings four times a year in March, June, September, and December.²⁶ The dates of quarterly meetings are released in advance. No agenda is released before any of the meetings. The board is responsible for establishing the rules and regulations of its meetings. Details regarding the convening and proceedings of the BoD meetings are laid down in the Regulations Governing Meetings of the Board of Directors. Under the new CBC Act, monetary transparency will be enhanced through the release of the minutes of the BoD meetings, with a time lag. The main conclusions of the meetings are already being released to the public.²⁷

Public statements on monetary policy

Periodic publications

The CBC has a number of periodic publications.²⁸ The main monthly publication is the *Financial Statistics Monthly*, the release of which is always accompanied by a press statement indicating the actual M2 aggregate growth rate in comparison with its target range. This publication provides statistics on key financial indicators, such as reserve money, monetary aggregates, the interest rate, the stock market index, the balance of payments, and foreign exchange reserves.²⁹ The *Banking Rules and Regulations* is the central bank's other monthly publication.

The main quarterly publications are the *Central Bank of China Quarterly*, the *Condition and Performance of Domestic Banks*, and the *Balance of Payments Quarterly*.³⁰

The central bank's main annual publication is the *Annual Report*, which provides a review of economic and financial developments over the year. In addition, the central bank annually releases *Financial Institutions' Major Business Statistics*, the *Flow of Funds in Taiwan District, RoC*, and the *Survey of the Financial Conditions of Private and Public Enterprises*. All publications are reproduced on the CBC website.

Public hearings

The CBC often consults academics and private sector experts on broad economic issues, but according to commentators does not use such meetings to build a consensus on monetary policy. The CBC also meets with heads of the treasury departments of private industries, in order to explain monetary policy and to get a better understanding of how its policies affect the private sector.³¹

The revised CBC Act plans to set up a Monetary Consulting Committee of nine members recruited from academic and business circles. These consultants will work for the CBC part-time, and their function will be to advise the Board of Directors.

Monetary policy decisions and agreements on future directions are announced and explained through press releases and press conferences immediately following meetings of the Board of Directors. The press releases indicate the main considerations underlying monetary policy decisions.³² They also provide the Economic and Financial Development Report for explaining the assumptions and rationale behind the policy decisions. The CBC also holds a year-end press conference when it announces targets for the upcoming year.³³

The governor holds a press conference after each of the quarterly meetings.

Regulations on data reporting by financial institutions to the central bank

The CBC Act charges the central bank with the responsibility for the “examination of the operations of all financial institutions in the country.”³⁴ On its website, the CBC publishes a quarterly report on the *Condition and Performance of Domestic Banks*, which lists data on key trends, the consolidated balance sheet, income, guarantees, outstanding derivatives, and the main financial and performance ratios.³⁵ *Financial Statistics Monthly* compiles comprehensive statistics on the banking sector, which are generally considered to be of high quality.

The function of banking supervision has been consolidated under the Financial Supervisory Commission (FSC), established on 1 July 2004 and chaired by Kong Jaw-sheng, with the CBC still authorised to monitor matters related to monetary, credit and foreign exchange affairs. Taiwan’s financial, securities, futures, insurance and general financial sectors are now all supervised and monitored by the FSC, a single agency. Authority over financial management, supervision, inspection and punishment had always belonged to different government agencies -- such as the MoF, the CBC and the Central Deposit Insurance Corporation. The new agency integrates the finance ministry’s Monetary Affairs Bureau, Department of Insurance and Securities and Futures Commission, the central bank’s Department of Financial Inspection and the Central Deposit Insurance Corporation (CDIC)’s inspection division.³⁶

Commentators felt that the creation of the FSC represents a large step toward transparency and oversight, as it has removed many of the conflicts of interest that existed when the regulatory bodies were under the umbrella of the MoF.³⁷ The FSC has also contributed to improved supervision of the financial system in Taiwan, as now several disparate groups have been centralised within this one agency. One result is that the stock market became smaller and less active from 2005, partly owing to the increase in regulations.³⁸ In the past several criticisms were directed at the commission including the perception that it tended towards over-regulation and micromanagement, and also that FSC commissioners, although well-qualified, tended to lack bureaucratic discipline; most commissioners are academics and were prone to articulate their own independent ideas in public, often leading to public confusion. Some commentators also thought that the FSC merely added a layer of bureaucracy to the process of financial regulation. Furthermore, in 2005 the FSC became embroiled in an insider-trading corruption scandal, which damaged the reputation of the FSC and that of the government. However, this year, commentators noted that there is now much more discipline within the FSC and that it is functioning better as an organisation.³⁹

The FSC has helped to accomplish the first stage of financial reforms, reducing non-performing loans from around 12% in 2002 to just over 2% in 2006. However, new delinquent loans resulting from increased credit card borrowing may rise. The second stage of financial reform, financial consolidation, started this year with the encouragement of mergers and acquisitions in the banking sector. To date, twelve foreign investors have taken stakes in twelve major Taiwanese banks.⁴⁰

Taiwan currently operates two financial monitoring systems, the Early Warning System operated by the CDIC and the CARSEL run by the CBC. While not formally linked, there is a high degree of coordination and collaboration between the two mechanisms. They are used in conjunction with other surveillance techniques, including on-site inspections.⁴¹ The CARSEL system uses financial analysis and management accounting as tools to screen periodical report data. The Bank may evaluate a financial institution's performance by analyzing its capital adequacy, asset quality, regulatory compliance, strategies & stability, earnings and liquidity. The CARSEL evaluation is an important reference for the Bank's supervision policies.

In December 2005 the CBC revised The Organic Regulations of the Departments and Offices of The Central Bank of China.⁴² Among other stipulations, the revised regulations required the Department of Financial Inspection to set up a Financial Stability Assessment Section, which was established in January 2006. The new section is responsible for the preparation and release of financial stability reports.

Since late 2005, the FSC has taken steps to amend financial report requirements for publicly held banks, bills finance companies and Financial Holding Companies. The acts were amended to coordinate with revisions of the Statements of Financial Accounting Standards. The amendments were drafted with reference to the wording used in the financial reports of international banking institutions, in order to bring Taiwan's financial accounting standards in line with international standards and to harmonise disclosure requirements.⁴³ In addition, in a bid to facilitate implementation of the New Basel Capital Accord, the FSC is planning in 2007 to begin implementing the Standardised Approach and Internal Ratings-based Approach to Credit Risk as well as the Basic Indicator Approach and the Standardised Approach to Operational Risk.

The CBC will compile financial soundness indicators (FSIs) based upon Compilation Guides for FSIs issued by the IMF. It intends to build up a financial stability assessment framework with reference to the IMF, European Central Bank and other central banks' macro-prudential analytical methodologies. In the future, the CBC will issue its own financial stability report.⁴⁴

In May 2006, the CBC amended its Directions for Reporting and Displaying Interest Rate Information by Financial Institutions. According to the new regulations, prior to changes in commercial bank interest rates, banks must report the rate changes to the CBC either online or by utilising the Table for Changes in Posted Interest Rate of Financial Institutions.⁴⁵

3. PUBLIC AVAILABILITY OF INFORMATION ON MONETARY POLICY

●●●● Compliance in progress

Release of central bank data

Although Taiwan is not a member of the IMF, the central bank broadly complies with the IMF Special Data Dissemination Standard (SDDS) for the release of financial and external sector statistics.⁴⁶ The SDDS data have been posted on the central bank's website since 1998. Monthly financial statistics are presented in a national and an IFS format. According to the CBC, all the IMF-required data are publicly available, albeit not necessarily always in SDDS format.

As a non-member, Taiwan is not allowed to present its SDDS meta-data on the Dissemination Standards Bulletin Board. In accordance with the standard, the Financial Statistics Division of the CBC's Economic Research Department publishes an advance release calendar.⁴⁷

The central bank balance sheet

The *Financial Statistics Monthly (FSM)* contains aggregate monetary data and a summary of the CBC's assets and liabilities. Full balance sheets are published in the *Annual Report*. In addition, the *FSM* provides a synopsis of the central bank's open market transactions. While the publication does not contain terms of refinance or other facilities, these are announced on the CBC website. Gains or losses from the central bank's assets or liabilities denominated in gold, silver or foreign currencies, and other forms of international reserves are not listed in its annual profit and loss account. This is due to changes in the exchange rate of the national currency or fluctuations in the value of these assets and liabilities relative to the national currency.⁴⁸ However, a comparison between figures in the *FSM* and the balance of payments statistics shows the relevant gains and losses.⁴⁹

Lender of last resort

Aggregate information on emergency financial support extended by the central bank to other financial institutions is published in the *Financial Statistics Monthly* publication. The CBC does provide financial help to banks that require it, in accordance with the CBC Act. For instance, the central bank may provide temporary advances to banks for periods not exceeding ten days. However, few banks have requested this kind of support in the recent past.⁵⁰

Public information services

The CBC maintains public information services in Chinese and English, made available through press releases and its website, which also provides contact information for the central bank.

In addition to its wide range of regular periodicals, the central bank produces a large number of occasional publications. Furthermore, all press releases and speeches are reproduced on the website, which has a search function.⁵¹

4. ACCOUNTABILITY AND ASSURANCES OF INTEGRITY BY THE CENTRAL BANK



Compliance in progress

Accountability before a designated public authority

The governor appears before the Legislative Yuan in open session on a biannual basis to report the conduct of monetary policy, explain objectives and describe progress in achieving them, as well as to respond to legislators' questions on issues related to the economic situation and monetary policy. He also appears before the legislature once a year to answer questions on issues relating to the central bank's budget. He can also, like any other cabinet official, be summoned to appear before the Legislative Yuan or its committees when required, though he cannot be compelled to attend, and he may send a deputy.⁵²

Financial statement

Audited financial statement

The CBC's financial data are produced by the central bank's Accounting Department. Information on expenses and revenues is publicly disclosed in the *Annual Report* of the CBC. The fiscal year conforms to the calendar year.

External and internal audits

The central bank has a Board of Supervisors whose powers and functions include investigating cases of alleged violations of the CBC Act and auditing the central bank's accounts. The supervisors examine and approve the annual reports, which are produced at the end of the fiscal year and are processed in accordance with the Fiscal Reporting Law.⁵³

The Ministry of Audit, the government's supreme supervisory body under the Control Yuan, and the Directorate-General of Budget, Accounting and Statistics (DGBAS) perform external audits. There is, however, no use of independent private sector auditors, and the CBC has no plans to use independent auditors in the future.⁵⁴

Conduct of officials

In order to prevent exploitation of privileged information and conflicts of interest, all central bank officials are obliged to follow the *Code of Conduct for Civil Servants*.

Rights and obligations for CBC officials and staff during the exercise of their official duties are defined in the Civil Servants Act. Civil servants are generally protected in Taiwan from dismissal, unless it is deemed a necessary punishment for flawed work, this being decided by the Commission of Disciplinary Sanctions of Functionaries, a quasi-judicial commission designed specifically for this purpose. Dismissals have occurred in the past but are very rare; demerit points are more common.⁵⁵

INTERVIEWS

Representatives of *Oxford Analytica* interviewed the following individuals in Taiwan between 23 and 27 October 2006:

Ministry of Finance (MoF)

26 October 2006

Shelly Chen	Director	National Treasury Agency
Tsai Bi-chen	Section Chief	Department of Taxation
Huang His-chin	Senior executive officer	National Treasury Agency

Directorate-General of Budget, Accounting and Statistics (DGBAS)

25 October 2006

Lin Shun Yu	Senior executive officer	Budgeting for official agencies
Chen Ching Yi	Researcher	Budgeting for official agencies
Huang Su Ghen	Senior executive officer	Budgeting for SOEs and non-profit funds
Wu Pei Hsuan	Specialist	National statistical affairs
Hsu Ting Chen	Senior executive officer	Accounting affairs for all government
Hui Ling Lu	Officer	Accounting affairs for all government

Central Bank of China, Taipei

27 October 2006

We met three central bank officials who requested anonymity.

Financial Supervisory Commission, Executive Yuan

26 October 2006

Fiona Su	Deputy Director	Securities and Futures Bureau
Anita S.L. Lu	Deputy Director	Securities and Futures Bureau, Division III
Victoria Hu		Securities and Futures Bureau

ADDITIONAL INTERVIEWS

24 October

Timothy Neely
Wang Yung Shan

Deputy Chief, Economic Section
Economics Specialist

American Institute in Taiwan
American Institute in Taiwan

26 October 2006

Miao Chen

Associate Research Fellow

Taiwan Institute of Economic Research

Chi Schive

President

Taiwan Academy of Banking and Finance

Oxford Analytica representatives met with another private sector representative who requested anonymity.

NOTES

- ¹ The Central Bank of China Act (1935, amended 1979), www.cbc.gov.tw
- ² CBC Act, Article 2.
- ³ Interviews in Taipei, 23-27 October 2006 and www.cbc.gov.tw/EngHome/faq.asp
- ⁴ CBC Act, Article 1.
- ⁵ Interviews in Taipei, 8 - 12 November 2004.
- ⁶ Interviews in Taipei, 8 - 12 November 2004.
- ⁷ Interviews in Taipei, 8 - 12 November 2004.
- ⁸ Laws and Regulations, Treasury Regulations, www.cbc.gov.tw
- ⁹ Interviews in Taipei, 16 October -18 November 2003.
- ¹⁰ CBC Act, Articles 19 and 22.
- ¹¹ CBC Act, Article 37.
- ¹² CBC Act, Article 20.
- ¹³ CBC Act, Article 42.
- ¹⁴ CBC Act, Article 36.
- ¹⁵ CBC Act, Articles 26 and 27.
- ¹⁶ CBC Act, Article 23.
- ¹⁷ Interviews in Taipei, 8 - 12 November 2004.
- ¹⁸ Interviews in Taipei, 23-27 October 2006.
- ¹⁹ CBC press release on Monetary Policy, 29 December 2003.
- ²⁰ See Central Bank of China website at:
www.cbc.gov.tw/EngHome/Esecretariat/PressRelease/mdate/news_inpage.asp?no=346
- ²¹ Monetary and Foreign Exchange Management, www.cbc.gov.tw/~EngHome/eseecretariat/pressrelease/mdate/e921205.htm
- ²² Joyce Huang, "Capital flows 'need watching'", *Taipei Times*, 7 November 2003.
- ²³ CBC Act, Article 5.
- ²⁴ CBC Act, Article 6.
- ²⁵ Interviews in Taipei, 8 - 12 November 2004.
- ²⁶ www.cbc.gov.tw/EngHome/faq.asp
- ²⁷ Interviews in Taipei, 24 - 27 October 2005.
- ²⁸ www.cbc.gov.tw/EngHome
- ²⁹ www.cbc.gov.tw/
- ³⁰ www.cbc.gov.tw/EngHome.
- ³¹ Interviews in Taipei, 8 - 12 November 2004.
- ³² Monetary Policy Decisions of the CBC Board Meeting, www.cbc.gov.tw
- ³³ Interviews in Taipei, 8 - 12 November 2004.
- ³⁴ CBC Act, Article 38.
- ³⁵ www.cbc.gov.tw/EngHome/Ebankexam/Statistics/eubpr/Current/index.htm
- ³⁶ "Fiscal Watchdog Should Think Ahead", *Taipei Times*, 26 June 2004, p.8.
- ³⁷ Interviews in Taipei, 8 - 12 November 2004.
- ³⁸ Interviews in Taipei, 24 - 27 October 2005.
- ³⁹ Interviews in Taipei, 23-27 October 2006.
- ⁴⁰ Interviews in Taipei, 23-27 October 2006.
- ⁴¹ Interviews in Taipei, 16 October -18 November 2003.
- ⁴² The Organic Regulations of the Departments and Offices of the Central Bank of China amended on 28 December 2005 at: www.cbc.gov.tw/cbext/cbext_eng/Law_ShowAll.php?LawID=LA02002
- ⁴³ www.fscey.gov.tw
- ⁴⁴ www.cbc.gov.tw/EngHome/ebankexam/fsi/e-fsi1.asp
- ⁴⁵ [Directions for Reporting Interest Rate Information by Financial Institutions](http://www.cbc.gov.tw/cbext/cbext_eng/Law_ShowAll.php?LawID=LA03B004) amended on 30 May 2006 at:
www.cbc.gov.tw/cbext/cbext_eng/Law_ShowAll.php?LawID=LA03B004
- ⁴⁶ Interviews in Taipei, 8 - 12 November 2004.
- ⁴⁷ CBC advance release calendar, www.cbc.gov.tw
- ⁴⁸ CBC Act, Article 43.
- ⁴⁹ Interviews in Taipei, 8 - 12 November 2004.

⁵⁰ Interviews in Taipei, 24 - 27 October 2005.

⁵¹ www.cbc.gov.tw/EngHome/PressRelease.htm; www.cbc.gov.tw/EngHome/Economic/Speeches/speeches.htm

⁵² Interviews in Taipei, 8 - 12 November 2004.

⁵³ CBC Act, Article 8.

⁵⁴ Interviews in Taipei, 23-27 October 2006.

⁵⁵ Interviews in Taipei, 8 - 12 November 2004.