



CFA Society  
Taiwan

# **GLOBAL INVESTMENT PERFORMANCE STANDARDS (GIPS®) AND DOMESTIC SITES IN TAIWAN**





CFA Society  
Taiwan

# **GLOBAL INVESTMENT PERFORMANCE STANDARDS (GIPS®) AND DOMESTIC SITES IN TAIWAN**

CFA Society Taiwan is a non-profit organization founded in July 2007 by volunteer CFA charterholders or Regular members of CFA Institute. As the 135th professional society of the global CFA Institute, CFA Society Taiwan is in a move to advance the investment profession by enhancing investment knowledge and encouraging high ethical and professional standards throughout Taiwan.

CFA Society Taiwan promotes awareness and understanding of securities analysis, investing, and the operation of the securities markets. CFA Society Taiwan's members are recognized as ethical, knowledgeable members of the investment decision-making community.

As a not-for-profit educational organization, CFA Society Taiwan mission is to educate and inform investment decision-makers, promote ethical standards in the industry, and assist financial professionals in career development.

© 2020 CFA Society Taiwan. All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without the prior written permission of the copyright holder. This publication is designed to provide accurate and authoritative information in regard to the subject matter covered. It is sold with the understanding that the publisher is not engaged in rendering legal, accounting, or other professional service. If legal advice or other expert assistance is required, the services of a competent professional should be sought.

# Table of Contents

<b>Executive Summary</b>	<b>2</b>
<b>List of Tables</b>	<b>3</b>
<b>List of Figures</b>	<b>3</b>
<b>Acronyms</b>	<b>3</b>
<b>1. Introduction</b>	<b>4</b>
<b>2. Methodology</b>	<b>9</b>
<b>3. Findings</b>	<b>12</b>
<b>3.1 Related industry background</b>	<b>12</b>
<b>3.2 Primary reasons domestic SITEs do (do not) pursue GIPS compliance in Taiwan</b>	<b>15</b>
<b>3.3 The process of attaining GIPS compliance in Taiwan</b>	<b>19</b>
<b>3.4 Policy recommendations regarding the GIPS standards in Taiwan</b>	<b>20</b>
<b>4. Conclusion</b>	<b>23</b>
<b>Reference</b>	<b>24</b>
<b>Appendix 1. Size of Assets Under Management for SITEs in Taiwan</b>	<b>25</b>
<b>Appendix 2. Sample of Interview Questions</b>	<b>28</b>



# Executive Summary

Since its formal introduction in September 1999, Global Investment Performance Standards (GIPS®) has been adopted widely around the world and is now considered a part of industry best practice. However, the adoption of the GIPS framework has been slow among domestic SITEs in Taiwan. Of the 16 domestic SITEs, only three of them have adopted the GIPS. This project sought to further improve the adoption rate of the GIPS standards among Taiwanese SITEs by conducting in-depth interviews with different stakeholders.

Our research methodology aimed to better understand the perspectives of asset managers, potential investors, and authorities. We interviewed several domestic SITEs, the SITCA, and verifiers to learn the process of claiming and maintaining the GIPS compliance in Taiwan. To obtain an asset owners' perspective, we interviewed the BLF multiple times to better understand its sentiment toward the GIPS standards. The BLF oversees the largest governmental funds and is the most important asset owner currently requesting the GIPS compliance in Taiwan. Lastly, we had discussions with the FSC to understand the authority's considerations.

The limited interest toward the GIPS adoption in Taiwan can be attributed to the following reasons: (1) There is no demand for the GIPS compliance when evaluating domestic investment. The SITCA standard established in 1996 is widely accepted by asset owners, asset managers, and authorities for disclosure and comparison. (2) Due to the size and industry structure, few asset managers are interested in bidding on overseas investment mandates and undergoing international expansion in which case the GIPS compliance is certainly helpful. (3) Finally, pursuing the GIPS compliance offers little short-term benefit to Taiwan's SITEs. Conversely, the monetary cost of the GIPS compliance which is largely the verifier service charge as well as the internal effort are not the main reason that the GIPS standards is not widely adopted in Taiwan.

For the short term, we suggest that CFA Institute and CFA Society Taiwan raise awareness of the benefits of the GIPS standards and enhance the information availability about the process of attaining the GIPS compliance. From our interviewees' consensus, the long-term future of the GIPS adoption lies in the improvement of the research capability and global exposure of Taiwan's asset management industry. CFA Institute and CFA Society Taiwan could also help in improving the potential human capital of the SITE industry through more engagements with schools and in-service education.

## List of Tables

Table 1. Size of Government Fund	8
Table 2. Schedule of Interviews	10
Table 3. Overview of Discretionary Investments (Mandate and Trust)	14
Table 4. Main Fund Investment Amount and Percentage of Bureau of Labor Funds	15
Table 5. Qualifications of Managers Mandated by Government Funds for Domestic and Overseas Investment Management	17

## List of Figures

Figure 1. Total AUM by Types of Funds, SITE Industry of Taiwan	5
Figure 2. Distribution of AUM, Publics Funds in Taiwan	6
Figure 3. Discretionary Investment in Foreign Securities, SITE Industry of Taiwan	7
Figure 4. Investor Structure of Assets Managed by SITEs in Taiwan	13

## Acronyms

Full Name	Acronym
Securities Investment Trust Enterprises	SITEs
Global Investment Performance Standards	GIPS®
Association for Investment Management and Research	AIMR®
Asset under management	AUM
Securities Investment Trust & Consulting Association of the R.O.C.	SITCA
Bureau of Labor Fund, Ministry of Labor	BLF
Financial Supervisory Commission Republic of China (Taiwan)	FSC
Asian Region Funds Passport	ARFP
Ministry of Labor Republic of China (Taiwan)	MOL

# 1. Introduction

For many years, the investment community has faced great difficulty obtaining meaningful comparisons of accurate investment performance data. With various methods for return calculation, investors can easily be misled and subsequently make poor choices. Furthermore, the existence of country-specific guidelines for performance presentation impedes any meaningful comparisons among asset managers internationally. CFA Institute created the Global Investment Performance Standards (GIPS®) to provide an ethical framework for the preparation and presentation of an investment management firm's performance history. This framework is based on the fundamental principles of full disclosure and fair representation of performance results. For instance, it requires the company to classify all financial products into composites based on the investment strategy or expected return, which entail managers' review on the nature of investment products. To provide more reliable information, the full disclosure of investment performance with a longer time horizon is included in the criteria. Moreover, the framework details the weighting and calculation methodology. These requirements allow the GIPS standards to serve as a guideline and provide prospective clients the needed transparency surrounding investment performance.<sup>1</sup>

The advantages attributed to compliance with the GIPS standards include the following: greater transparency, strengthened internal controls, and improved confidence. The improvement in transparency of the investment performance presentation provided by firms that claim compliance benefits both existing and prospective clients. This, in turn, will make a GIPS-compliant asset management company more attractive in the global market. In addition, maintaining the documented policies and procedures required as part of the GIPS compliance strengthens the internal controls and governance of firms claiming such compliance.<sup>2</sup> More important, the GIPS-compliance arguably provides confidence to a regional asset management firm when competing against international competitors.

Since its formal introduction in September 1999, the GIPS framework has been adopted widely around the world and is now considered a part of industry best practice.

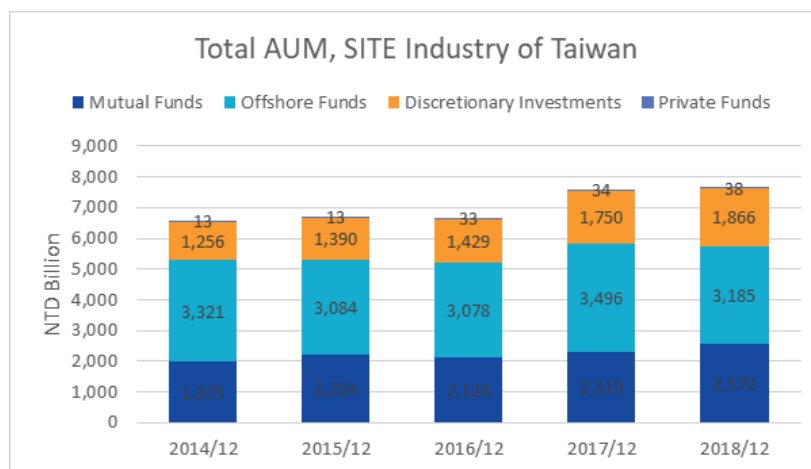
---

<sup>1</sup> *Global Investment Performance Standards (GIPS®) Handbook*, 3rd edition (CFA Institute, 2012), <https://www.cfainstitute.org/-/media/documents/code/gips/gips-handbook-3rd-edition.ashx>

<sup>2</sup> Iain McAra, "Are There Benefits to Being Compliant with the GIPS Standards?" Market Integrity Insights, CFA Institute, 13 September 2017, <https://blogs.cfainstitute.org/marketintegrity/2017/09/13/are-there-benefits-to-being-compliant-with-the-gips-standards/>

More than 1,700 asset management firms globally have notified CFA Institute that they claim compliance, including all or a portion of 85 of the 100 largest asset management firms.<sup>3</sup> The global footprint of the GIPS standards now covers more than 40 countries or markets. According to the survey conducted by eVestment, more than 80% of the GIPS-compliant firms state that they adopted the standard to follow the industry's best practice.<sup>4</sup> Starting from mature markets, such as the United States and Canada, the GIPS is now penetrating many emerging markets, with it recently making inroads into three new strategic global markets: Saudi Arabia, China, and India.<sup>5</sup>

**Figure 1. Total AUM by Types of Funds, SITE Industry of Taiwan**



Source: SITCA, 31 December 2018.

The first Securities Investment Trust Enterprise (SITE) in Taiwan was established in 1983. In the early years of its establishment, the SITE's focus was to channel overseas Chinese and foreign investment to Taiwan's domestic capital market. Since 1992, many more SITEs have been established to build up institutional investor presence in this local market, and in 2000 and 2004, respectively, discretionary investment and private fund

<sup>3</sup> Anju Grover, "Out of Top 100 Asset Management Firms Globally, 85 Claim GIPS Compliance," Market Integrity Insights, CFA Institute, 6 February 2017, <https://blogs.cfainstitute.org/marketintegrity/2017/02/06/out-of-top-100-asset-management-firms-globally-85-claim-gips-compliance/>

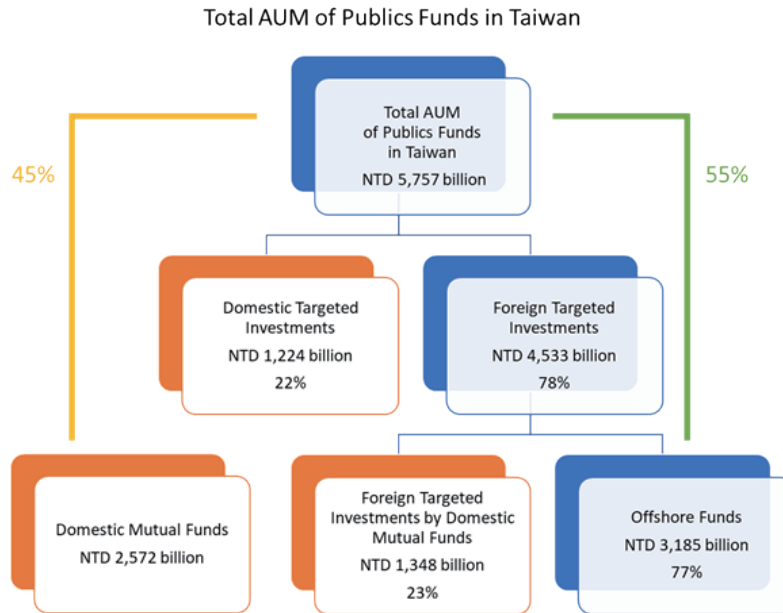
<sup>4</sup> "The Value of GIPS Compliance 2018 Survey," eVestment, <https://www.sfeic.com/wp-content/uploads/2019/08/eVestment-ACA-GIPS-Survey-Report-2018.pdf>

<sup>5</sup> Cindy Kent, "The GIPS Standards Expand into Major Markets" Market Integrity Insights, CFA Institute, 17 April 2017, <https://www.cfainstitute.org/advocacy/market-integrity-insights/2017/04/the-gips-standard-expand-into-major-markets>



businesses were approved by the authority.<sup>6</sup> At the end of 2018, the total asset under management (AUM) of Taiwan’s SITE industry reached NT\$7.661 trillion (US\$220 billion).<sup>7</sup> The total AUM of public funds was NT\$5.757 trillion and NT\$2.572 trillion was managed under a domestic mutual fund and NT\$3.185 trillion under offshore funds. The total AUM of discretionary investment services is NT\$1.866 trillion. The size of the private fund industry in Taiwan was rather small with AUM at only NT\$38 billion (Figure 1).

**Figure 2. Distribution of AUM, Publics Funds in Taiwan**



Source: SITCA, “Industry Survey Report” (產業調查報告), 2018.

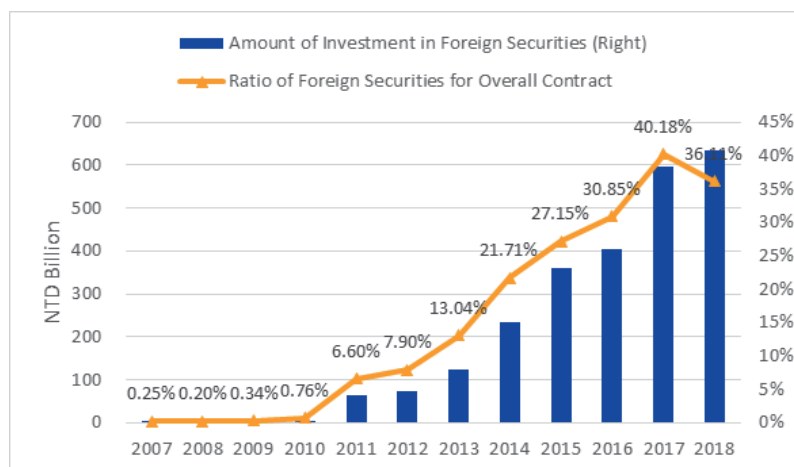
The international presence of Taiwan’s SITE industry is evident not only in the size of its documented offshore funds but also in the amount of its investment. Foreign targeted investments account for 78% of the total AUM of public funds in Taiwan (Figure 2), while 36% of discretionary investments are in foreign securities (Figure 3). With such high international exposure for the overall industry as well as encouragement from the

<sup>6</sup> Qiao-yun Wang, "The Development History and Evolution of Securities Investment Trust and Advisory System," *Securities and Futures Monthly* 29, no. 3 (2011): 24–40.

<sup>7</sup> The exchange rate is based on the average selling and buying spot rate from Bank of Taiwan at end of 2018; see <https://rate.bot.com.tw/xrt/quote/2018-12/USD?Lang=en-US>

authorities regarding internationalization,<sup>8</sup> domestic SITEs could benefit from adopting international reporting standards like the GIPS standards, but not many of Taiwan’s SITEs currently claim compliance with the GIPS. Of the 16 domestic SITEs, Cathay Securities Investment Trust, Fubon Asset Management, and Capital Investment Trust Corporation, which account for about 23.04% total AUM of the industry, are the only domestic SITEs that claim GIPS compliance.<sup>9,10</sup>

**Figure 3. Discretionary Investment in Foreign Securities, SITE Industry of Taiwan**



Source: SITCA, 31 December 2018.

This project sought to further improve the adoption rate of the GIPS standards among Taiwanese SITEs. By conducting in-depth interviews with different stakeholders, we aimed to better understand the perspectives of asset managers, potential investors, and authorities. We interviewed several domestic SITEs, the Securities Investment Trust & Consulting Association (SITCA), and verifiers to learn the process of claiming and maintaining the GIPS compliance in Taiwan. To obtain an asset owners’ perspective, we interviewed the BLF multiple times to better understand its sentiment toward the GIPS standards. The BLF oversees the Labor Insurance Fund, Labor Retirement Fund, and Labor Pension Fund and accounts for more than 85% of total government funds (Table 1). It is the most important and representative government asset owner.

<sup>8</sup> The Plan to Advance Excellence for Securities Investment Trust Enterprises (SITEs) proposed by the FSC. More discussions later.

<sup>9</sup> “Firms Claiming Compliance with the GIPS Standards,” CFA Institute, [https://www.gipsstandards.org/compliance/pages/firms\\_claiming\\_compliance.aspx](https://www.gipsstandards.org/compliance/pages/firms_claiming_compliance.aspx)

<sup>10</sup> See Appendix 1 for the AUM of all 39 SITEs (domestic and offshore) in Taiwan at the end of 2018.

Last, we had discussions with the Financial Supervisory commission (FSC) to understand the authority's considerations.

**Table 1. Size of Government Fund**

Government Fund	Fund Size (NT\$ billion)
Postal Savings	7
Labor Insurance Fund	686
Labor Retirement Fund (Old Fund)	926
Labor Pension Fund (New Fund)	2,196
Public Service Pension Fund	567

*Source:* Chunghwa Post Co., Ltd., Bureau of Labor Fund, Public Service Pension Fund Management Board, 31 December 2018.

By studying how stakeholders in Taiwan's SITE industry view the GIPS standards, we believe our findings will contribute not only to domestic SITEs who are considering adopting the GIPS standards but also to the promotion of the GIPS standards to other countries or markets. Adoption of this framework is especially important right now as a new version of the GIPS standards was introduced went into effective 1 January 2020.<sup>11</sup>

---

<sup>11</sup> "GIPS® 20/20 Consultation Paper," CFA Institute, 2017, [https://www.gipsstandards.org/standards/documents/guidance/gips\\_2020\\_consultation\\_paper.pdf](https://www.gipsstandards.org/standards/documents/guidance/gips_2020_consultation_paper.pdf)

## 2. Methodology

To address the low number of domestic SITEs claiming compliance with the GIPS standards in Taiwan, we gathered insights from different stakeholders through in-depth interviews. We interviewed SITEs that were the GIPS compliant to learn why they had adopted the standards, to understand their procedures, and to identify the costs of pursuing the GIPS compliance in Taiwan. For SITEs, we asked the following questions:

- Why does your institution (not) claim GIPS compliance?
- What are the costs of attaining GIPS compliance?
- What are the difficulties you expect to face while attaining GIPS compliance?
- What are the observable benefits after claiming GIPS compliance?
- How does GIPS compliance give your institution a competitive advantage?
- After claiming GIPS compliance, how often do you obtain verification?
- Do you consider the service of any other third-party consultants as an alternative to claiming GIPS compliance?

We interviewed all three Taiwanese SITEs that are the GIPS compliant and we also interviewed the accounting firm that serves as their verifier to confirm our findings on the cost of maintaining the GIPS compliance. Note that domestic SITEs that were not the GIPS compliant declined our interview requests. To gather insight from the perspective of noncompliant SITEs, we interviewed the SITCA as well as asset managers operating in Taiwan that were not yet the GIPS compliant.

Because the BLF's sentiment toward the GIPS standards is crucial to our research question, we set up multiple interviews with this government entity. The interviews addressed the following questions:

- How important is the status of GIPS compliance in the bidding for the discretionary overseas investment services?
- What are the important factors in allocating the foreign mandates?
- Do you accept any alternative for GIPS-compliance?
- Do you consider requiring GIPS-compliance in the bidding for discretionary domestic investment services?
- Why do you think the interest toward GIPS standards or internationalization in general is low for domestic SITEs?
- How can domestic SITEs improve their chances when competing in the bidding for the discretionary overseas investment services?

**Table 2. Schedule of Interviews**

Date	Name of Institution	Type of Institution
May 10	Cathay Securities Investment Trust	GIPS-compliant domestic asset manager
May 16	CFA Society Taiwan	
May 27	Cathay Securities Investment Trust	GIPS-compliant domestic asset manager
June 12	Pricewaterhouse Coopers Taiwan	Verifier
June 17	Capital Investment Trust Corporation	GIPS-compliant domestic asset manager
June 21	Bureau of Labor Funds, Ministry of Labor	Major asset owner
July 4	The FSC	Authority
July 9	The SITCA	Asset managers
July 16	Nomura Asset Management Taiwan	Non-GIPS-compliant asset manager
July 16	The BLF	Major asset owner
July 22	The BLF	Major asset owner
July 23	An Anonymous Foreign Private Equity Fund	Non-GIPS-compliant asset manager
August 6	Fubon Securities Investment Trust	GIPS-compliant domestic asset manager
August 7	CFA Institute	Global association of investment management professionals that created the GIPS standards



We also interviewed the FSC to learn the perspective of this high-level Taiwan authority with such questions as the following:

- What are the major difficulties for promoting domestic SITEs in the international market?
- Is there a timetable for promoting the adoption of a certain standard like GIPS standards for domestic SITEs?

The discussions were not limited to these questions, above and they are included in the next section. Table 2 summarizes the interviews that we have conducted to date. The actual questions sent to the interviewees for reference (most of them in Chinese) are given in Appendix 2.<sup>12</sup>

---

<sup>12</sup> Not all of the questions were answered. For brevity, interview notes are not included, but they are available upon request.

# 3. Findings

## 3.1 Related industry background

The SITEs industry in Taiwan has been developing and expanding for more than 35 years. To evaluate the performance of mutual funds in Taiwan, the SITCA commissioned the Department of Finance, National Taiwan University to construct the SITCA performance standards starting from 1996.<sup>13</sup> According to interviewees, the SITCA standard is widely accepted by asset owners, asset managers, and authorities for disclosure and comparison. For instance, the BLF stated that the SITCA performance standards are more than sufficient when evaluating candidates for domestic investment mandates. Eddie Chan, director, Professional Conduct Enforcement and Global Industry Standards of CFA Institute, also told us that like Taiwan, Hong Kong's government-led Mandatory Provident Fund Authority has established a set of statutory performance evaluation standards that guides its fund management space (mostly pooled funds) in its market. The existence of a widely accepted and utilized standard by local investors reduces the incentive for local asset managers to pursue the GIPS compliance.

In contrast, for developing financial markets, the GIPS standards is welcomed by the regulator as a way to modernize an asset management market. Chan also noted that “the authorities in India have been actively looking at performance presentation requirements for the local asset management industry, in particular the portfolio management services area, and they have considered some of the benefits of the GIPS standards as its guiding principles.”

Regarding asset owners' demand for the GIPS compliance, we first investigated the investor structure of assets managed by SITEs. The investors of public funds (domestic mutual funds and offshore funds) are predominately individual investors (natural persons), as 1.7 million natural people account for 98% of the total number of investors. In contrast, 71% of those in discretionary investments are institutional investors (legal entities). On the basis of interviewee consensus, introducing a new performance standard could be troublesome in marketing toward individual investors who are accustomed to the SITCA performance standards. Therefore, we would expect demand for the GIPS standards to

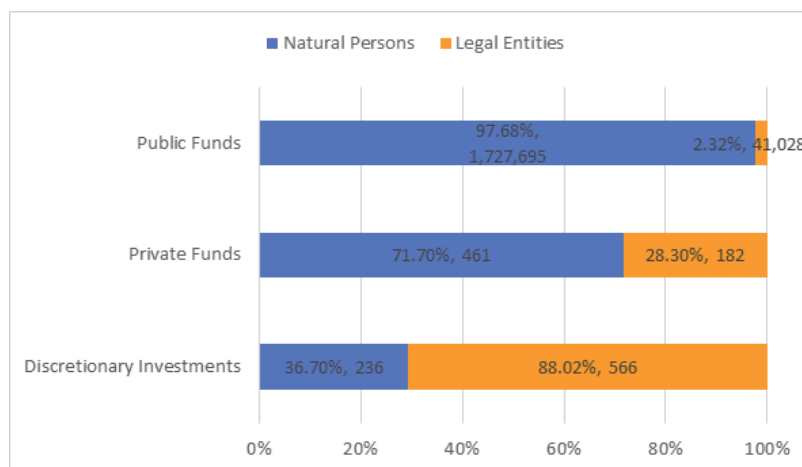
---

<sup>13</sup> “The Mutual Fund Performance Standards,” SITCA, <https://www.sitca.org.tw/ROC/Industry/IN2400.aspx?PGMID=IN0202&PORDER=>

more likely appear in discretionary investments.<sup>14</sup>

Further examination of the types of investors in discretionary investments revealed that insurance-linked products, government funds, and domestic legal entities accounted for 42.2%, 31.1%, and 25.7% of the amount of all valid contracts, respectively (Table 3). The high ratio of investment-linked products can be attributed to the rapid growth of a discretionary investment-oriented policy since 2013.<sup>15</sup> From our interviews with Cathay Securities Investment Trust (which is a part of Cathay Financial Holdings that also owns Cathay Life Insurance Company, the largest life insurance provider based on premium income in Taiwan<sup>16</sup>) the marketing of the discretionary investment-oriented policy mainly targets individuals.<sup>17</sup> Thus, the demand for the GIPS standards is not likely due to insurance-linked products. Interviewee consensus indicates that the BLF, which oversees the largest governmental funds, is the most important asset owner currently requesting the GIPS compliance in Taiwan.

**Figure 4. Investor Structure of Assets Managed by SITEs in Taiwan**



Source: SITCA, 31 December 2018.

<sup>15</sup> Hung-Wen Chen and Ying-Shing Lin, "An Analysis of the Influential Facts of Discretionary Investment-oriented Policy Performance," *Journal of Chinese Economic Research* 15, no. 2 (2017): 35-46.

<sup>16</sup> Kai-ping He, "The Financial Statement of Life Insurance Companies in Taiwan," *RMIM* (June 2019).

<sup>17</sup> Taiwan is known for its high insurance penetration rate. Gabriel Olano, "Taiwan's World-Highest Insurance Penetration Causes Worry" *Insurance Business Asia* (September 2018) <https://www.insurancebusinessmag.com/asia/news/breaking-news/taiwans-worldhighest-insurance-penetration-causes-worry-111895.aspx>

<sup>14</sup> We ignored private funds because they account for only about 0.5% of total AUM in Taiwan's SITE industry (Figure 1).



**Table 3. Overview of Discretionary Investments (Mandate and Trust)**

Type of Investor	Contract	Amount of All Valid Contracts (NT\$ billion)	Ratio
Domestic Natural Persons	236	11.55	0.66%
Foreign Natural Persons	0	0.00	0.00%
Domestic Legal Entities	171	450.73	25.68%
Foreign Legal Entities	5	3.23	0.18%
Government Funds	111	545.45	31.08%
Corporate Pension Funds	2	0.14	0.01%
Collective Investment Funds	12	3.36	0.19%
Investment Linked Product	265	740.65	42.20%
Total	802	1755.12	100.00%

*Source:* SITCA, 31 December 2018.

## 3.2 Primary reasons domestic SITEs do (do not) pursue GIPS compliance in Taiwan

Most interviewees cited that the most important reason why Taiwanese SITEs might consider adopting the GIPS standards is to participate in the bidding of overseas investment mandates for the major government funds, such as Labor Funds. On average, about half of the funds under the BLF are domestic mandates and 37% of funds are overseas mandates (Table 4). Given that these overseas investment mandates are open to asset management firms worldwide, it may be natural to require participants to be the GIPS compliant.<sup>18</sup> In fact, the overseas investment mandates of government funds are the only cases in which asset owners do require asset managers to be the GIPS compliant in Taiwan. Conversely, the bidding for domestic investment mandates does not require the GIPS compliance. From interviews with GIPS-compliant and non-GIPS-compliant SITEs, we found that such an incentive was not widely applicable to all domestic SITEs. For instance, domestic SITEs focusing primarily on competing for domestic investment mandates have

**Table 4. Main Fund Investment Amount and Percentage of Bureau of Labor Funds**

Type of Fund		Labor Pension Fund (New Fund)		Labor Retirement Fund (Old Fund)		Labor Insurance Fund		National Pension Insurance Fund		Total	
		\$	%	\$	%	\$	%	\$	%	\$	%
In-House	Domestic	773	35%	334	36%	282	41%	122	39%	1,511	37%
	Oversea	183	8%	119	13%	146	21%	88	28%	536	13%
Mandate	Domestic	325	15%	147	16%	39	6%	26	8%	537	13%
	Oversea	914	42%	326	35%	219	32%	75	24%	1,534	37%
Total		2,196	100%	926	100%	686	100%	310	100%	4,118	100%

*Note:* In NT\$ billion.

*Source:* “Annual Report 2018”, BLF

<sup>18</sup> BLF states that a few exceptions are made for firms too small to attain complete GIPS-compliance. Third-party consultants can be hired to certify the performance of some of the funds from that firm to be evaluated following GIPS.

little incentive to adopt the GIPS standards when the SITCA performance standards are widely accepted. Thus, for these firms, the potential benefit may not justify the cost of adopting the GIPS standards.

First, not many SITEs are interested in competing for the overseas investment mandates or undergoing international expansion because of firm size and industry structure. One of our interviewees from Nomura Asset Management Taiwan, which has international partners worldwide, asserts that the asset management business in Taiwan is not a major profit center for large financial groups, as is observed in continental Europe. Thus, the sizes of SITEs in Taiwan are much smaller than their international competitors. For instance, only the top three SITEs in Taiwan have AUMs that are comparable in size to those at the bottom of the list of the world's 500 largest fund managers (around US\$9 billion).<sup>19</sup> Only the top 10 SITEs in Taiwan (5 of which are domestic) have AUM that are large enough to qualify for BLF's overseas investment mandate (US\$5 billion) (Table 5). Furthermore, we learned from our interviews with SITEs, the SITCA, and the FSC that only a few SITEs in Taiwan have overseas business exposures and most of these exposures are for the retail business. Our interviewees also stated that the SITEs industry in Taiwan is driven mostly by retail investors and family funds that are accustomed to the SITCA performance standards. Thus, adopting the GIPS is not a priority for SITEs that focus on the domestic market.

Second, those few domestic SITEs that target overseas mandates could obtain the right to participate in the bidding by pursuing the GIPS compliance, but they foresee that it would be difficult to compete with international asset managers in the bidding. Therefore, a claim of the GIPS compliance to participate in the BLF's overseas mandate bidding brings little immediate business opportunities. From our interviews with SITEs, the SITCA, and the BLF, we gained insight about the evaluation process of bidding on overseas mandates. For example, the BLF and its consultant evaluate the size, performance record, and quality of the management team of asset management firms. The size of most domestic SITEs is small, and their performance record on overseas investments is relatively short (less than 10 years). To compute the composite performance after complying with the GIPS standards, a track record of at least five years is necessary. New firms can start and report since the date of inception. Although major asset managers worldwide typically have performance record longer than 10 years for each of their composite funds, domestic asset managers need time to accumulate comparable records.

---

<sup>19</sup> "The World's Largest Fund Managers – 2019," Thinking Ahead Institute, Willis Towers Waston [https://www.thinkingaheadinstitute.org/en/Library/Public/Research-and-Ideas/2019/10/P\\_I\\_500\\_2019\\_survey](https://www.thinkingaheadinstitute.org/en/Library/Public/Research-and-Ideas/2019/10/P_I_500_2019_survey)  
The AUM of SITEs in Taiwan can be found in Appendix 1

**Table 5. Qualifications of Managers Mandated by Government Funds for Domestic and Overseas Investment Management**

Qualifications	Domestic	Overseas
Year of Establishment	Three (3) years or more	Three (3) years or more
Businesses Regulations	The manager must be incorporated or recognized under the laws of the Taiwan to conduct business in the Taiwan.	The manager must be incorporated and registered to conduct business under the laws of the Taiwan or any of the foreign countries.
Assets Under Management (AUM)	The manager's clients' AUM must be no less than NTD\$10 billion up to the end of the month preceding the public tender date.	The manager's clients' AUM must be no less than US\$5 billion or the equivalent in other currencies up to the end of the quarter preceding the public tender date.
Historical Performance	The cumulative rate of return of a single fund or trust account under its management for the past three years must be no less than that of the benchmark commonly used in the market or the rate of return set forth by the Bureau of Labor Funds.	The historical performance of the mandate type that the manager applies for shall not be less than three years.

*Source:* MOL

Furthermore, asset management teams in Taiwan on average have lower ratings on some of the criteria noted by the consulting firms regarding the quality of their management team, such as dealing capability and staff turnover rate. Lower ratings makes these teams less attractive even before their performance record is studied. Domestic SITEs noted that obtaining the GIPS compliance as a form of long-term investment still has a low probability of turning it into actual business opportunities in the near future. In fact, Cathay Securities Investment Trust bid on the overseas mandate only once after attaining the GIPS compliance in 2015, but it did not win the bidding. Capital Investment Trust Corporation and Fubon Asset Management, the other two domestic SITEs that became the GIPS compliant slightly after 2015 cited no immediate plans to bid on the overseas mandate.



In sum, the limited interest toward the GIPS adoption in Taiwan can be attributed to the following reasons: (1) There is no demand for the GIPS compliance when evaluating domestic investment. (2) Few asset managers are interested in bidding on overseas investment mandates and undergoing international expansion in which case the GIPS compliance is certainly helpful. (3) Finally, pursuing the GIPS compliance offers little short-term benefit to Taiwan's SITEs. The next section summarizes what we have learned from domestic GIPS-compliant SITEs about the process for asset managers in Taiwan that may be interested in pursuing the GIPS compliance.

### 3.3 The process of attaining GIPS compliance in Taiwan

Most of the asset managers we interviewed do not think cost is the main reason that the GIPS standards is not widely adopted in Taiwan. As discussed in previous sections, a lack of immediate benefit from the GIPS compliance makes it difficult for most SITEs to justify the necessary investment. In this section, we summarize our findings about these investment for reference to potential adopters of the GIPS standards in Taiwan.

The main monetary cost of the GIPS compliance is the verifier service charge. Depending on the definition, size, location or country, and complexity of operations of the asset management firm, the verification fees charged by the service providers varies. In Taiwan, verifier services are provided by accounting firms like PricewaterhouseCoopers Taiwan and Ernst & Young Taiwan. From our interview with PricewaterhouseCoopers Taiwan, the cost of initiating service is around NT\$1.5 million (US\$50,000). After the initiation, the annual service fee is typically no more than NT\$600,000 (US\$20,000). The annual service fee generally includes an annual GIPS-compliant performance report. Multiple interviewees told us that the numbers are notably lower than the price quotes they receive from foreign GIPS verifier service providers.

Most of the effort to attain the GIPS compliance is required in the initiation stage, including SITE coordination and verifier contributions. The initiation stage requires input from the firms' product (fund) management, risk management, accounting, and information technology departments. A task force of more than five people across these departments is a major cost of human capital. In some cases, even an IT system upgrade is necessary. Thus, support from top-level executives is crucial to smooth out the process. The verifiers also need to conduct an on-site visit for two to three weeks, and hence, local accounting firms have a cost advantage. The key contribution from the verifier is the guidance in preparing the GIPS-compliant performance, especially in the construction and choice of the benchmarking composite. After the initiation stage, the maintenance personnel needed drops to one to three people.



## 3.4 Policy recommendations regarding the GIPS standards in Taiwan

Although pursuing the GIPS compliance does not equate to future success in the global competition among domestic SITE, the current adoption rate of the GIPS standards reflects the difficulties facing domestic SITEs when considering global expansion. We thus summarize what we have learned from interviewees about the short-term and long-term perspectives of promoting the GIPS standards in Taiwan as well as the international expansion of Taiwan's asset management industry.

For the short term, we suggest that CFA Institute and CFA Society Taiwan raise awareness of the benefits of the GIPS standards in Taiwan. Throughout our interviews, we found that only governmental asset owners recognized the importance of the GIPS compliance. The possibility of Taiwan starting up its own sovereign fund is a topic of the last presidential campaign; thus, we believe it is now an appropriate time for CFA Institute and CFA Society Taiwan to enhance awareness of the GIPS standards for Taiwan.<sup>20</sup> As one private equity manager told us, large asset owners like sovereign funds drive changes in the asset management industry. For instance, the recent trend of environmental, social, and governance (ESG) investing, which considers the ESG factors alongside financial factors in the investment decision-making process) is driven mainly by asset owners, including banks in continental Europe as well as sovereign funds in the Middle East and Singapore. Such a trend drives asset managers to focus on the ESG activities not only in their own firm but also in their investment targets. As a result, the private equity firms we interviewed are willing to consider a high ESG consulting fee, which could include a GIPS verification service, to attract the attention of sovereign funds. We believe that another wave of promoting the GIPS standards in Taiwan would come about if a Taiwan sovereign fund is indeed established.

We further suggest that CFA Institute and CFA Society Taiwan enhance the information availability about the process of attaining the GIPS compliance. Domestic SITEs that are the GIPS compliant rarely mention CFA Institute as their main source of information in evaluating and preparing for the GIPS compliance. For example, Cathay Securities Investment Trust told us that it first learned about the GIPS standards through its acquisition of Conning Holdings Corporation in 2014. It then gathered information from the foreign verifier through Conning and then from domestic accounting firms. We identified an information gap between domestic SITEs and CFA Institute. CFA Institute operates a GIPS helpdesk through e-mail, and the helpdesk

---

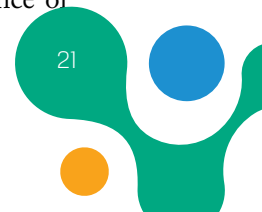
<sup>20</sup> The ruling party in 2016 mentioned a plan for a quasi-sovereign fund (source: Matthew Strong, 2016, Tsai plans Quasi-Sovereign Fund, Taiwan News (March 2016) <https://www.taiwannews.com.tw/en/news/2890332>)

commits to a service level of responding to general inquiries about the GIPS standards within 48 hours. It also has Chinese-speaking representatives available. We believe it is necessary to broaden the information sources for those SITEs considering the GIPS compliance.

Another key issue for the short-term future of the GIPS standards in Taiwan resides in the attitude of market-leading asset owners like the BLF. Although the GIPS allows the asset managers to attend the bidding of the BLF's foreign mandates, the chance of eventually winning the bid still depends on how the BLF evaluates bidding management teams. Many SITEs we interviewed suggested that the BLF should take a different view when assessing the quality of local management teams. Most of the differences between domestic and foreign management teams in terms of checking items for quality (e.g., dealing capability, staff turnover rate, and level of compensation) will not be reconciled in the near term. For instance, our interviewees told us that the average tenure of a research position is about years in Taiwan, which is shorter than that of international competitors. If the chance of winning an overseas mandate remains low, then so will the incentive for pursuing the GIPS-compliance. A possible short-term solution proposed by SITEs we interviewed is separating the local management teams from the foreign management teams when evaluating the overseas mandate from the BLF. Moreover, the BLF could perhaps allocate a small part of the mandate for local management teams only. Despite the potential difficulties in politics for setting up such an arrangement, changes like these would be very much welcomed by SITEs we interviewed.

In response to this topic, the BLF cited difficulties in changing the rules of overseas mandate bidding. The BLF must maintain openness and fairness in the bidding process for all asset managers that participate worldwide. Within the same mandate, even minor rule changes that seemingly favor domestic SITEs would be subject to potential backlash from foreign asset managers. However, for certain mandates focusing on investment targets where domestic SITEs may have a competitive advantage (e.g. Asian-Pacific region targets), the BLF welcomes and encourages biddings from domestic SITEs and could relax certain requirements to all potential bidders to allow more participation of domestic asset managers. Despite a short-term boost in the GIPS adoption from the proposals mentioned earlier is unlikely, the BLF states that the GIPS-compliance is still the importance first step of closing the gap between domestic SITEs and their foreign competitors.

From our interviewees' consensus, the long-term future of the GIPS adoption lies in the improvement of the research capability and global exposure of Taiwan's asset management industry. If domestic SITEs do not grow to a level in which the GIPS standards will help their business expansion like winning overseas mandates from large asset owners, then they will not invest in the GIPS-compliance. The BLF often cites research capability as the one of key criteria in selecting mandates. Most SITEs also recognize the importance of





research capability. However, many challenges in improving research capability that we observed from the interviews are unlikely to be resolved without substantial changes in the industry structure. For instance, the size of AUM and the high turnover rate of staff are unlikely to change when asset management is not the core business of large financial groups in Taiwan.<sup>21</sup> Thus, any structural change in the SITE industry in Taiwan would require SITEs to grow significantly and to emphasize on research capability. This requires the authorities and the top executives of financial groups to focus more on developing asset management business. Most interviewees welcome an aggressive change in the industry structure. CFA Institute and CFA Society Taiwan could also help in improving the potential human capital of the SITE industry through more engagements with schools and in-service education.

Global expansion is crucial for the further growth of the SITE industry in Taiwan. Even with the abovementioned challenges, authorities, the SITCA, and the BLF have devoted efforts at improving the overseas exposure of domestic SITEs. For example, since the BLF is encouraging domestic SITEs to participate in the bidding of mandates focusing on the Asian-Pacific region, an investment record targeting the Asian-Pacific region, even for those that are just retail funds, would be helpful for participating in future related mandates. The FSC and the SITCA told us that they are recently considering to attain the Asian Region Funds Passport (ARFP), which could increase the regional exposure of Taiwanese SITEs. Moreover, the Plan to Advance Excellence for SITEs proposed by the FSC rewards domestic SITEs based on their improvements in research capability, internationalization, and human capital developments.<sup>22</sup> The GIPS-compliance is one of five internationalization indicators. Cathay Securities Investment Trust and Fubon Asset Management won awards from the plan with the GIPS-compliance being cited as one of the main reasons.<sup>23</sup> We believe that these efforts from the authorities should be beneficial toward global expansion and hence the GIPS adoption rate in the long term.

---

<sup>21</sup> The most successful asset managers around the world are companies focusing purely on the asset management business and which are not part of large financial groups led by banks and insurance companies. A list of the most successful asset managers can be found here: Andrew Bloomenthal, "The Top 5 Asset Management Firms for 2019" Investopedia (May 2019)

<https://www.investopedia.com/articles/invesing-/022316/top-5-asset-management-firms-portfolios-2016-pimco-blk.asp>

<sup>22</sup> "Q&As for Plan to Advance Excellence for SITEs," FSC (February 2019)

<sup>23</sup> Yu-xuan Zhao, "Four Security Investment Trust Obtain the Qualification That Can Shortens the Issue Time of Funds." Economy Daily News (September 2019). <https://udn.com/news/story/7239/4070376>

## 4. Conclusion

The GIPS standards as an industry best practice for calculating and presenting investment performance is widely recognized in the asset management industry around the world. However, only three Taiwan's SITEs currently claim compliance with the GIPS standards. After 14 interviews with asset managers, asset owners, and authorities, all the interviewees agree that being the GIPS-compliant is beneficial for global expansion, and that the monetary costs of pursuing the GIPS-compliance are bearable. The most important reason why Taiwanese SITEs consider adopting the GIPS standards is to participate in the bidding of the BLF's overseas investment mandates. Only the top 5 domestic SITEs are qualified based on their AUM size to meet the entry requirement. However, given that the chances of eventually gaining a mandate are low, the immediate benefits are not justifiable. The limited interest in adopting the GIPS standards reflects the difficulties facing Taiwanese SITEs when considering global expansion. While quick resolutions to these difficulties are unlikely, CFA Institute and CFA Society Taiwan could improve the general awareness and information availability in the short term. As for the long-term future of the GIPS standards becoming common throughout Taiwan's asset management industry, structural changes in the industry especially those geared towards improving research capability and international exposure are welcomed by all the stakeholders. CFA Institute and CFA Society Taiwan could facilitate these improvements through more engagement in human capital development both for students and professionals.

## Reference

- Bloomenthal, Andrew. 2019. "The Top 5 Asset Management Firms for 2019." Investopedia (May) <https://www.investopedia.com/articles/investing/022316/top-5-asset-management-firms-portfolios-2016-pimco-blk.asp>
- Chen, Hung-Wen and Lin Ying-Shing. 2017. "An Analysis of the Influential Facts of Discretionary Investment-oriented Policy Performance." *Journal of Chinese Economic Research* 15 (2): 35-46. 陳鴻文, & 林英星, 類全委投資型保單績效之影響因素分析, 華人經濟研究
- Grover, Anju. 2017. "Out of Top 100 Asset Management Firms Globally, 85 Claim GIPS Compliance." Market Integrity Insights, CFA Institute (February). <https://blogs.cfainstitute.org/marketintegrity/2017/02/06/out-of-top-100-asset-management-firms-globally-85-claim-gips-compliance/>
- He, Kai-ping. 2019. "The financial statement of life insurance companies in Taiwan." *RMIM* (June). 何楷平, 全國22家壽險公司總體檢(上), 《現代保險》雜誌
- Kent, Cindy. 2017. "The GIPS Standards Expand into Major Markets" Market Integrity Insights, CFA Institute, 17 April. <https://www.cfainstitute.org/advocacy/market-integrity-insights/2017/04/the-gips-standard-expand-into-major-markets>
- McAra, Iain. 2017. "Are There Benefits to Being Compliant with the GIPS Standards?" Market Integrity Insights, CFA Institute (September). <https://blogs.cfainstitute.org/marketintegrity/2017/09/13/are-there-benefits-to-being-compliant-with-the-gips-standards/>
- Strong, Matthew. 2016. "Tsai plans quasi-sovereign fund." Taiwan News (*March*). <https://www.taiwannews.com.tw/en/news/2890332>
- "The Value of GIPS Compliance 2018 Survey." eVestment. <https://www.sfeic.com/wp-content/uploads/2019/08/eVestment-ACA-GIPS-Survey-Report-2018.pdf>
- Wang, Qiao-yun. 2011. "The Development History and Evolution of Securities Investment Trust and Advisory System." *Securities and Futures Monthly* 29 (11): 24-40. 王巧雲, "證券投資信託及顧問法制發展史與演變", 證券暨期貨月刊
- "The World's Largest Fund Managers-2019." Thinking Ahead Institute, Willis Towers Waston. [https://www.thinkingaheadinstitute.org/en/Library/Public/Research-and-Ideas/2019/10/P\\_I\\_500\\_2019\\_survey](https://www.thinkingaheadinstitute.org/en/Library/Public/Research-and-Ideas/2019/10/P_I_500_2019_survey)
- Zhao, Yu-xuan. 2019. "Four Security Investment Trust Obtain the Qualification That Can Shorten the Issue Time of Funds." *Economy Daily News*, 26 September). <https://udn.com/news/story/7239/4070376>
- 趙于萱, "四投信獲躍進計畫資格 可加速發基金," 經濟日報

## Appendix 1. Size of Assets Under Management for SITEs in Taiwan

No.	Member Name	Amount of All Valid Contracts (NT\$ billion)	Fund Size (NT\$ billion)	Total (NT\$ billion)
A0037	Cathay Securities Investment Trust Co., Ltd.	350	227	577
A0005	Yuanta Securities Investment Trust Co., Ltd.	10	418	428
A0022	Fuh Hwa Securities Investment Trust Co., Ltd.	187	180	367
A0016	Capital Investment Trust Corp.	39	216	255
A0018	Alliance Bernstein Investments Taiwan Limited	192	62	254
A0008	Prudential Financial Securities Investment Trust Enterprise	109	66	175
A0011	JPMorgan Asset Management (Taiwan) Limited	70	97	167
A0032	Nomura Asset Management Taiwan Ltd.	86	80	166
A0010	Fubon Asset Management Co., Ltd.	8	147	156
A0036	Allianz Global Investors Taiwan Ltd.	59	88	147
A0007	Eastspring Securities Investment Trust Co. Ltd.	65	76	142
A0009	Uni-President Asset Management Corporation	81	54	135
A0045	Franklin Templeton SinoAm Securities Investment Management Inc.	52	71	122
A0026	CTBC Investments Co., Ltd.	78	41	119

Appendix I. Size of Assets Under Management for SITEs in Taiwan

No.	Member Name	Amount of All Valid Contracts (NT\$ billion)	Fund Size (NT\$ billion)	Total (NT\$ billion)
A0042	Schroder Investment Management (Taiwan) Limited	71	38	110
A0047	Taishin Securities Investment Trust Co., Ltd.	29	75	104
A0021	PineBridge Investments Management Taiwan Limited	11	86	97
A0004	HSBC Global Asset Management (Taiwan) Limited	74	22	96
A0003	First Securities Investment Trust Co., Ltd.	2	82	84
A0001	Mega International Investment Trust Co., Ltd.	1	79	80
A0020	Jih Sun Securities Investment Trust Co., Ltd.	0	67	68
A0027	Manulife Investment Management (Taiwan) Co., Limited	34	26	60
A0025	SinoPac Securities Investment Trust Co., Ltd.	24	26	50
A0006	Invesco Taiwan Limited	0	48	48
A0038	FIL Securities Investment Trust Co. (Taiwan) Limited	33	14	47
A0048	Taiwan Cooperative Securities Investment Trust Co., Ltd.	7	31	38
A0012	Hua Nan Investment Trust Corp.	3	34	36
A0014	Shin Kong Investment Trust Co., Ltd.	11	23	34

Appendix 1. Size of Assets Under Management for SITEs in Taiwan

No.	Member Name	Amount of All Valid Contracts (NT\$ billion)	Fund Size (NT\$ billion)	Total (NT\$ billion)
A0041	KGI Securities Investment Trust Co. Ltd.	1	31	31
A0031	Blackrock Investment Management (Taiwan) Limited	21	5	26
A0033	Union Securities Investment Trust Co., Ltd.	1	20	21
A0043	JKO Asset Management Co., Ltd.	0	11	11
A0015	UBS Asset Management (Taiwan) Ltd.	6	4	10
A0040	DWS Far Eastern Investments Limited	0	10	10
A0050	Neuberger Berman Taiwan (SITE) Limited	--	5	5
A0017	Reliance Securities Investment Trust Co., Ltd	0	4	4
A0044	Aberdeen Standard Investments Taiwan Limited	0	4	4
A0035	Amundi Taiwan Limited	1	2	3
A0049	UOB Asset Management (Taiwan) Co., Ltd.	--	2	2

*Note:* Shaded areas are foreign SITEs.

Source: SITCA, 31 December 2018.

<https://www.sitca.org.tw/ENG/FundInf/FI4001.aspx?PGMID=FI4001>

<https://www.sitca.org.tw/ENG/FundInf/FI2003.aspx?pid=FI2003>



## Appendix 2. Sample of Interview Questions

### 20190510國泰投信訪問題綱

1. 請問貴公司是在何時完成GIPS的實施，當初決定採取的動機為何？
2. 國內的投資人對於貴公司採用GIPS有什麼反應？機構投資人與自然人投資人的反應有不同嘛？
3. 採用GIPS之後，對於產品的銷售有何影響？
4. 從計畫採用GIPS實施到完成花了多少時間？
5. GIPS的實施對於產品資訊揭露上有何具體影響？
6. 上述的資訊揭露改變在風險管理上的具體影響？
7. 貴公司GIPS是否有第三方認證？
  - a. 如果有，第三方認證的成本大約有多高？
  - b. 如果沒有，是出於何種考量？
8. 採用GIPS的成本大約是？
  - a. 初期投入 vs. 後期維護
  - b. 人力 vs. 資金
9. GIPS要求對於投資組合按照性質或者目標分類，那國泰投信的大概分類方式是怎樣？
10. 有無進一步利用GIPS的計劃？

### 20190527 國泰投信第二次訪問

#### 針對會計、資訊科技部門的追加問題

1. 對貴部門而言應用GIPS的影響範圍有多大，有哪些較為大幅的調整？
2. 應用GIPS是否影響公司其他部門績效的評估標準？
3. 在實施GIPS的過程中是否遇到過沒有合適benchmark的情況，如果有，是如何解決這一問題的？例如，是否遇到所需資料較難取得的情況？
4. 貴部門與資誠在編制年度GIPS報告時溝通的重點為何？有哪些內容是雙方特別花時間溝通過的？
5. 在挑選benchmark的時候是否有同時考慮到其他兩家GIPS compliance公司的標桿選取，或者PwC是否有提供相關的標桿選取建議？
6. 在目前版本的GIPS未有清楚規範的一些情況下，貴公司是優先採用何標準來計算投資績效？
7. 公司有另外使用GIPS compliance software嗎？若有，是如何取得相關服務？

### 20190531 資誠會計師事務所訪談題綱

1. (關於開始GIPS認證業務的背景)
2. 通常新客戶從開始到完成認證需要多久？
3. GIPS認證業務的價格方面，海外和台灣國內主要差別在哪裡？
4. 目前GIPS認證的業務較少的情況下，是否有專門負責GIPS的工作組？
5. 在認證的過程中，CFA協會除了訂定標準之外，是否與資誠有其他的接觸？
6. 在GIPS認證的成本中，哪部分佔比較大？（認證資格的取得/人工成本/軟體系統的製作和維護）
7. 日後如果GIPS得到推廣，認證業務量變多時，對會計師會有什麼影響？
8. 目前GIPS認證的頻率是每年，那如果客戶要在這期間進行認證的話該怎麼辦？
9. 組合群劃分的部分會給客戶哪些建議？
10. 如何驗證客戶提交的資料？人工佔比較大還是電腦自動化處理？

### 20190621 勞動基金運用局訪談題綱

1. 請問您認為台灣國內投信有採用GIPS的公司少的原因為何？
2. 國內投信好像也很少參與競標海外標案的原因？
3. 為什麼要用GIPS來算績效？
4. 對國外基金餐與競標者有強制採用GIPS嗎？
5. 台灣目前法規要求基金揭露過去3年績效，較GIPS規範短的理由是？

### 20190704 金管會證期局訪談題綱

1. 主管機關對於國內投資信託業者有投資績效評估相關的規範，請問有考慮過在規範中加入CFA協會提倡之GIPS嗎？
2. 請問有將推廣國內投信業者去採用GIPS或第三方認證的相關規劃嗎？
3. 從主管機關的角度，鼓勵投信公司往國外發展的主要原因是什麼？
4. 要怎麼推廣台灣的基金向外或是吸引國外資金？GIPS在這方面的效益？





### 20190709 投信投顧公會訪談題綱

1. 請問公會版基金績效計算標準的發展歷史？GIPS在國際間也有相當長的發展歷史，請問在國內基金績效計算標準的發展過程中，GIPS有在何時期進入討論呢？
2. 以公會的角度，若有鼓勵國內資產管理業者採用GIPS的意願，過程中有遇到什麼困難嗎？
3. 一般國內資產管理業者國際化的挑戰是？
4. 有甚麼方法可以鼓勵投信向外發展？
5. 對於推動GIPS與國內資產管理業者國際化有什麼其他建議嗎？

### 20190716 勞動基金運用局訪談題綱

1. 在海外標案的投標中，除了GIPS外，也開放業者使用第三方認證。實際使用第三方認證參與的業者佔比為？有國內業者使用嗎？
2. 對於投標者的審查第一階段由顧問公司執行，請問顧問公司初步篩選的標準有何原則？所選擇的顧問公司挑選的依據為？會定期輪替嗎？
3. 我們了解即便是GIPS compliance也不完全保證不同公司類似基金的可比性（例如挑選組合群仍有彈性）。以勞動基金的角度，有什麼方式可以進一步比較績效？
4. 退休投資平台」的推動對於勞退基金海外投資的部分是否有影響？如果開放一部分資金給民眾自行選擇（海外）投資標的，那些績效指標適合給民眾參考？
5. 金管會正推動亞洲基金護照，一方面便利國內投信往亞太區域如日本澳洲發展，另一方面也利於日本澳洲業者進入台灣市場。這些在零售或機構投資人市場的累積會對投標有所助益嗎？

### 20190716 野村投信訪談題綱

1. Has Nomura Asset Management Taiwan (Nomura Taiwan, hereafter) ever considered adopting GIPS compliance? If yes, what are the main reasons?
2. Nomura Taiwan is not GIPS compliant currently, Why?
3. Why do you believe the number of GIPS-compliant domestic asset management firms is so low in Taiwan?
4. Why are domestic asset management firms having difficulties competing with foreign competitors for the BLF mandate?
5. What would be your suggestion for the industry going forward especially for competing with foreign asset management teams?

### 20190716 勞動基金運用局訪談題綱

1. 在海外標案的投標中，除了GIPS外，也開放業者使用第三方認證。實際使用第三方認證參與的業者佔比為？有國內業者使用嗎？
2. 對於投標者的審查第一階段由顧問公司執行，請問顧問公司初步篩選的標準有何原則？所選擇的顧問公司挑選的依據為？會定期輪替嗎？
3. 我們了解即便是GIPS compliance也不完全保證不同公司類似基金的可比性（例如挑選組合群仍有彈性）。以勞動基金的角度，有什麼方式可以進一步比較績效？
4. 「退休投資平台」的推動對於勞退基金海外投資的部分是否有影響？如果開放一部分資金給民眾自行選擇（海外）投資標的，那些績效指標適合給民眾參考？
5. 金管會正推動亞洲基金護照，一方面便利國內投信往亞太區域如日本澳洲發展，另一方面也利於日本澳洲業者進入台灣市場。這些在零售或機構投資人市場的累積會對投標有所助益嗎？

### 20190722 勞動基金運用局訪談題綱

1. 請問勞動基金考慮資金於國內或國外配比的因素有哪些？
2. 請問勞動基金選擇海外標的投資市場的考量因素有哪些？
3. 勞動基金作為國內最大的資產持有者之一，對於推動國內資產管理業國際化有甚麼建議？
4. 國內投信業者採用GIPS最大的誘因在於參與四大基金的海外代操標案，但到目前為止有投標的家數仍非常低，請問您認為主要的原因有哪些？
5. 若國內資產管理業者在規模與歷史績效上難與海外業者競爭海外代操標案，是否有考慮在海外標案上提供符合資格的國內業者一些優勢以鼓勵國內資產管理業國際化？例如將一小部分mandate讓國內業者競爭？或者有考慮過其他的想法？實務上有什麼挑戰？
6. 請問您對國內資產管理業發展的中長期展望為何？

### 20190807 CFA Institute Questions

1. How much is the verifier service charge in the Eastern Asia region?
2. The proportion of GIPS-compliant asset management firms in Taiwan is low. We believe that the major asset owners' attitude is crucial. What can you share with us regarding the proportion in the region?
3. Will the GIPS standards continue to focus on institutional investor's needs?
4. We found that the domestic asset managers in Taiwan had a hard time finding resources when considering adopting GIPS. What kind of resources are provided by the association?



# CFA Society Taiwan

## Authors

Wei-Hsien Li, Associate Professor, Department of Finance, National Central University

## Contributor

Bureau of Labor Funds, Ministry of Labor  
Financial Supervisory Commission Republic of China (Taiwan)  
PricewaterhouseCoopers Taiwan  
Vincent Bourdairé, Executive Vice President, Nomura Asset Management Taiwan Ltd.  
Eddie Chan, Director of Professional Conduct Enforcement and Global Industry Standards, CFA Institute  
Jeff Chang, Chairman, Cathay Securities Investment Trust Co., Ltd.; Chairman, Securities Investment Trust & Consulting Association of the R.O.C.  
Roger Chang, Risk Management Vice President, Capital Investment Trust Corporation  
Grant Chiu, Senior Vice President, Risk Management Division, Cathay Securities Investment Trust Co., Ltd.  
Nancy Chu, Fubon Asset Management Co., Ltd.  
Kix Kao, Manager, Cathay Securities Investment Trust Co., Ltd.  
Stella Lee, Vice President, Cathay Securities Investment Trust Co., Ltd.  
Kerry Lin, IT Senior Manager, Cathay Securities Investment Trust Co., Ltd.  
Anny Peng, Fubon Asset Management Co., Ltd.  
Stratos Pourzitakis, Director, Society Advocacy Engagement APAC, CFA Institute  
David Ying, Director, CFA Society Taiwan

### Research Assistants

Chia-Yang Chang, National Central University  
Chun-Yi Chen, National Central University  
Yong-Hua Chen, National Central University  
Yu-Fei Dai, National Central University  
Tsae-Rong Liu, National Central University  
Wan-Lin Lu, National Central University

DISCLAIMER: This research was conducted independently by Prof. Wei-Hsien Li, Associate Professor, Department of Finance, National Central University, Taiwan, who also authored the report, under the sponsorship of CFA Society Taiwan.

**CFA Society Taiwan**

10F, 189, Sec 3,  
Nanjing E.Rd,  
Taipei 10488,  
Taiwan

**Contacts**

Victoria Chang    [secretary@taiwan.cfasociety.org](mailto:secretary@taiwan.cfasociety.org)  
Gina Kao         [gina.kao@taiwan.cfasociety.org](mailto:gina.kao@taiwan.cfasociety.org)

