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Taiwan Futures Exchange Press Release

AsiaRisk magazine on October 26th named the Taiwan Futures Exchange (TAIFEX) the Derivatives Exchange of the Year 2009. This is the second time that TAIFEX has been singled out for this distinction, the first coming in 2004. The award serves primarily as recognition of the fact that TAIFEX has set itself apart from other derivatives exchange in the Asia-Pacific region by virtue of its outstanding operating performance, innovation, and risk management.

TAIFEX products performed extremely well once again over the past year. The exchange's main products – TAIEX Futures, Mini-TAIEX Futures, and TAIEX Options – provided deep liquidity and an excellent hedge function. Moreover, the transaction tax on single-stock futures was reduced by 60% in October 2008, which has sharply lowered the cost of trading and spurred big growth in stock index futures trading volumes. Total TAIFEX trading volume in 2008 was up by 18.7% from the year before, which advanced its global ranking to 17th place, the highest ever for the exchange. Trading volume continued growing in January-June 2009, rising 11.8% year-on-year.

TAIFEX has continued to improve its trading and clearing systems. Among others it has introduced SPAN[®] margining, margin reduction for day trades, acceptance of stocks and bonds as margin deposit, daily disclosure of trading information on the three major types of financial institutional investor groups, and institutional hedge accounts. These changes provide traders with greater efficiency, speed, and transparency in the market. In addition, in order to accelerate order speed, TAIFEX has upgraded to a new TCP/IP network architecture that allows for much faster response to orders from FCMs. Apart from these innovations, TAIFEX has also devoted considerable resources to promoting the market, implementing education and training, and actively participating in international activities. These efforts have done much to enhance professionalism in the financial industry, ensure healthy development of the markets, and bring TAIFEX a higher international profile.

TAIFEX emerged as the *AsiaRisk* judging panel's unanimous choice after two months of rigorous screening on the strength of outstanding progress in its product line, market

systems, and information systems. In the future, the exchange will continue to make every possible effort to develop a more diversified product line, bring its market systems more closely in line with international norms, and provide more useful market information. Further progress on these fronts promises to take the exchange to a new level of quality.