

INTRODUCTION

TSEC was incorporated in October 1961. At the start of the business, the market had a scant 16 equity securities, 4 corporate bonds and 4 government bonds. TSEC grew and developed steadily during the ensuing years as the market expanded along a firm economic growth path.

A major liberalization of securities industry took place in May 1988. The number of securities firms established and investors' accounts opened also recorded an all-time high. The number of listed companies increased rapidly from 199 in 1990 to 669 in 2003. Meanwhile, securities industry consolidated to cope with the fierce market competition. The number of securities firms decreased from the all-time high of 381 in 1990 to 121 in 2003. In 1997, average daily trading value reached a record high of NT\$130 billion (US\$ 4.54 billion).

TSEC has successfully reshaped the market discipline and broaden the market depth and breadth over the years. The reform measures adopted in recent years include strengthening the surveillance mechanism, mandatory book-entry settlement, introducing securities derivatives, etc. The market, once dominated by individual investors, has also undergone structural changes. Dealers, foreign institutional investors and investment trust companies have gained influence in the market. Individual investors also show a shift toward younger age and higher education.

TSEC has been successful to the extent of facilitating capital formation in the process of economic development. TSEC will continue working towards maintaining an open, fair and efficient marketplace.