International Journal of Business and Economic Sciences Applied Research

IJBESAR
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The Role of Taiwan's Venture Capital Industry in the Development of Fintech Startups: Resource Provider, Risk Manager or Value Creator?

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ARTICLE INFO

Article History

Received 21 January 2025
Accepted 21 April 2025

JEL Classifications
D22, G24, G32, L26, M13, O32.

Keywords:
Fintech, Taiwanese Venture Capital Industry, Innovation Ecosystem, Method of Expert In-depth Interview

ABSTRACT

Purpose:
This study investigates the multifaceted role of Taiwan's venture capital (VC) industry in the development of financial technology (Fintech) startups. Specifically, it examines the VC industry's contributions as resource providers, risk managers, and value creators throughout the various stages of a startup's lifecycle—from establishment to growth and eventual exit.

Design/methodology/approach:
A qualitative research methodology was adopted, employing semi-structured in-depth interviews with industry experts. This approach enabled a comprehensive exploration of how the VC industry supports Fintech startups during the stages of establishment, growth, and strategic exit, focusing on the provision of resources, risk management practices, and value creation activities.

Findings:
The research findings highlight that Taiwan's VC industry predominantly acts as a resource provider during the early stages of Fintech startups, offering critical support such as funding, industry connections, and strategic guidance. As startups transition to the growth stage, VCs take on the role of risk managers, mitigating potential risks through portfolio diversification, risk control measures, and active oversight. In the mature stage, the role of VCs evolves into that of value creators, where they contribute to startups' strategic goals and facilitate value realization through carefully planned exits and additional operational support. Collectively, these roles underscore the VC industry's pivotal involvement in fostering the development and success of Fintech startups.

Research limitations/implications:
This study is limited by its reliance on qualitative data from expert interviews, which may not fully capture the breadth of VC practices across sectors or regions. Future research could include quantitative analyses or comparative studies to provide broader insights. Despite these limitations, the findings offer valuable perspectives on the strategic functions of VCs in supporting Fintech ecosystems.

Originality/value:
This study contributes to the limited body of literature on the role of venture capital in Fintech startup ecosystems, with a specific focus on Taiwan. By delineating the distinct roles of VCs across different stages of startup development, the research offers a novel framework for understanding how VCs drive innovation, mitigate risks, and enhance value creation. These insights are particularly relevant for policymakers, entrepreneurs, and investors aiming to optimize the impact of venture capital on the Fintech industry.

1. Introduction

In the era of digital tech soar, financial technology (Fintech) is a disruptive innovation that has gradually replaced the traditional financial service model. In recent years, the development of global financial technology startups has been

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DOI: 10.25103/ ijbesar.181.01

very active, showing a trend of rapid growth (Guild, 2017; Lee and Shin, 2018; Chemmanur et al., 2020; Kolokas et al., 2022). This situation also has the same occurred in Taiwan. According to statistics from the Taiwan Financial Supervisory Commission R.O.C(Taiwan), as of early 2025, there were more than 100 Fintech start-ups in Taiwan. Among them, payment, debit and credit, investment, insurance and other application fields were the most active.

In addition, the financing of these new companies has also shown a rapid growth trend, and the capital market has begun to pay attention to these emerging companies (Teigland et al., 2018; Imerman and Fabozzi, 2020; Langley and Leyshon, 2021). Financial industry of Taiwan has begun to cooperate with technology startups and launch various financial technology products and services to enhance their competitiveness. Therefore, Taiwan has also seen the emergence of some new financial technology startups with international influence. Furthermore, Taiwan also is the first country in the world to establish a Financial Regulatory Sandbox as a special law. In the foreseeable future, as the application of financial technology becomes more and more widespread, Taiwan's financial technology industry will have more exciting development.

Taiwanese Fintech startups are committed to applying emerging technologies to the financial sector. The technologies of artificial intelligence, big data, blockchain and other technologies are applied to creating advantages in the financial industry and further improving the efficiency and convenience of financial services. At the same time, the security of financial services will be further improved. The ecosystem of financial technology industry in Taiwan is gradually improving. In addition to new startups, many large financial institutions have also begun to emphasize the development of financial technology. These financial institutions actively cooperate with technology companies and jointly launch more innovative financial products and services. The government through relevant institutions such as the Financial Supervisory Commission actively promotes the development of Fintech and provides relevant support and assistance. The financial technology innovation experimental plan and financial technology innovation competition promoted by the government encourage financial institutions and technology start-ups to work together to launch more innovative financial services. At the same time, the rapid development of Taiwan's venture capital industry has provided more financial support and investment opportunities for Fintech start-ups. These venture capital industries through investment in new startups, provide financial support and industrial experience, and help them grow faster (Gomber et al., 2018; Lee and Shin, 2018; Imerman and Fabozzi, 2020).

The technological development areas of Taiwan's Fintech startups cover many different directions and application areas. It mainly includes digital payment system, blockchain technology, artificial intelligence technology, insurance technology, big data analysis, financial cloud computing and financial IoT technology. Digital payment has always been one of the important directions in the field of financial technology. It has gradually emerged in Taiwan in recent years and has achieved certain achievements. Several digital payment companies of Taiwan have successfully developed a variety of convenient payment tools, allowing consumers to complete payments more conveniently. Blockchain technology is also one of the hot topics in the financial technology field in recent years. Blockchain technology can help financial institutions realize decentralized financial transactions, and can improve the transparency and security of transactions. Taiwan's Fintech startups are also actively developing digital asset trading platforms and blockchain payment platforms based on blockchain technology applications. Artificial intelligence technology can help financial institutions conduct more precise risk assessment and customer analysis, and improve the efficiency and accuracy of financial operations. Many financial technology startups are using machine learning, natural language processing and other technologies to develop financial services with intelligent judgment capabilities, such as risk assessment, customer service, wealth management, etc.

Insurance technology is also one of the emerging directions in the field of financial technology, which can help insurance companies achieve more assessment for intelligent risk and product design. Fintech start-ups in Taiwan have also begun to actively explore the application of insurance tech, such as digital insurance platforms or smart insurance platforms. Fintech start-ups can also use big data technology to conduct risk assessment, behaviour analysis, investment decisions, ...etc. Many Fintech start-ups have moved their infrastructure to the cloud, using faster and more elastic methods to deploy and maintain applications. In addition, financial technology startups can use IoT technology to provide smarter and more convenient financial services, such as automated claims settlement, smart home insurance, etc.

Taiwanese government is actively committed to supporting the operation and development of new financial technology startups. In 2018, the Taiwanese government established the Fintech Development Bureau under the Financial Supervisory Commission, which is responsible for assisting the development of new Fintech companies and providing services such as policy planning, financial support, legal consultation, and international cooperation. The Taiwan government has launched a series of innovation and entrepreneurship investment programs, such as the "Innovation and Entrepreneurship Incubation Accelerator", "Innovation and Entrepreneurship Incubation Base", "Taiwan Innovation Investment and Incubation Fund", etc., and provide financial technology start-up companies with initial funding, software and hardware facilities, professional guidance and other supports.

The Taiwan government is also actively promoting policies related to the development of financial technology, such as enlarging the conditions for establishing online banks and opening up applications for virtual banks to create a more friendly environment. The government also organizes many financial technology-related activities, exhibitions and forums to provide communication opportunities for financial technology startups and professionals. In addition, the government also provides financial support to financial technology startups through various subsidy measures to promote their research and development capabilities and product innovation. Government of Taiwan hopes to cultivate more outstanding financial technology startups through policies, investment, support, etc. The purpose is to promote the upgrading of the financial industry and enhance Taiwan's competitiveness in the international financial technology market. The support of policy planning is indeed helpful for the development of financial technology startups (Teigland et al., 2018; Haddad and Hornuf, 2019). In 2018, the Financial Supervisory Commission and Taiwan Financial Services Roundtable (TFSR) established Taiwan's first "financial technology innovation park", FintechSpace, and brought together domestic and foreign financial technology industries, government agencies and academic circles to create a co-creation environment which is suitable for the development of financial technology and promote Fintech co-creates an ecosystem.

In recent years, Taiwan's venture capital industry has actively invested in new financial technology startups and provided appropriate support and assistance. The market requirement of Fintech market has continually increased. With the advancement and popularization of technology, more and more people have chosen to use technology to simplify financial transaction processes and improve the efficiency and convenience of financial services. Fintech startups can create innovative financial products and services to satisfy the market's demand for Fintech (Imerman and Fabozzi, 2020; Langley and Leyshon, 2021; Zarrouk, El Ghak and Bakhouche, 2021). Fintech start-ups in Taiwan often employ innovative technologies such as blockchain, artificial intelligence, and big data analytics. These technologies can not only improve the efficiency and convenience of financial services, but also improve the security and reliability of financial transactions (Lee and Shin, 2018). The application of these technologies enables financial technology startups to provide better financial services, thereby attracting more customers and investors (Chemmanuret al., 2020; Imerman and Fabozzi, 2020). The development of the financial technology industry has great potential and attractiveness, and has a high return on investment (ROI) (Guild, 2017). As the Fintech industry continues to grow, the market share and revenue of Fintech start-ups are also increasing. These factors have attracted more and more venture capital institutions to invest in new financial technology startups (Galvin et al., 2018; Teigland et al., 2018; Kolokas et al., 2022).

The purpose of this paper is to explore the role of venture capital industry of Taiwan in the development of Fintech. Specifically, the aim of it is to understand whether the venture capital industry plays the role of resource provider, risk manager or value creator, and explores the contributions and challenges of the venture capital industry in these roles. The research hopes to collect rich data on this topic through in-depth interviews with experts and further analyse the data to answer the research questions. Ultimately, the research aims to provide new insights regarding the role of the venture capital industry in the Fintech sector, giving a useful reference for industry and academia.

2. Review of Literature

2.1 How Financial Technology subverts the Rules of the Game in the Traditional Financial Industry

Fintech represents the evolution and collision of technology applications in financial services. Financial services and technology are closely integrated with each other, and this combination brings disruptive impacts and synergies. Financial institutions are partnering with Fintech startups through investments or strategic partnerships. The average transaction scale of venture capital investment in financial technology is also growing, especially in Asia, which is almost twice the global average (Galvin et al., 2018). Chemmanur et al. (2020) discuss the potential sources of value creation by Fintech startups for existing financial intermediaries. Fintech start-ups can provide a superior customer experience in various consumer finance areas, which may be a source of value creation. Lee and Shin (2018) pointed out that financial technology brings a new paradigm in which information technology drives innovation in the financial industry. Fintech has been touted as a disruptive innovation that can shake up traditional financial markets.

It is undeniable that financial technology has subverted the rules of the traditional financial industry. Basole and Patel (2018) pointed out that the integration of financial technology into financial services is causing huge disruption to the entire financial industry. A series of start-ups are rapidly splitting the services provided by traditional financial institutions, ushering in new cooperation models and the shifts of major power. Basole and Patel (2018) simultaneously also pointed out that the global distribution of financial technology activities is extremely uneven, due to diversified investments and acquisitions which are mainly led by traditional financial institutions and venture capital firms. Svensson, Udesen and Webb (2019) pointed out that the financial ecosystem is being transformed through new financial technologies. As the ecosystem shifts, the basis on which all roles are considered legitimate is also changing. Traditional financial companies and Fintech start-ups seek the feasibility of alliances among potential partners to meet their respective needs. Langley and Leyshon (2021) indicated that the development of financial technology has had a global impact on mankind. In the northern hemisphere, the development of financial technology is widely claimed to be transforming banking and provides digital financial services to the unbanked in the southern hemisphere. The development process of Fintech has gone through three processes: re-intermediation, merger and capitalization. The potential imagining of Fintech has also triggered an intensive capitalization process, such as the platform receives potential investment from venture capital, private equity funds, and important potential investment from banks and large technology companies.

Government departments and traditional financial institutions in various countries take a very serious attitude towards the problems and challenges brought about by the rapid development of financial technology. Taking Fintech developments in Kenya, India, and China as the subject of research, Guild (2017) pointed out that these services, when

DOI: 10.25103/ijbesar.181.01

combined with corresponding government policies and supervision and regulatory frameworks, have the potential to extend financial services to millions of underserved populations, and break new ground in the way of financial transactions. Successful adoption of Fintech to increase financial market inclusion is highly dependent on competent supervision and regulatory oversight. Goo and Heo (2020) pointed out that in order to overcome the regulatory obstacles in the financial technology industry, the mechanism of supervision and regulatory sandbox is adopted. Supervision and Regulatory sandboxes help create a Fintech ecosystem. The adoption of supervision and regulatory sandboxes has had a very positive impact on the growth of Fintech venture capital. Regulatory sandboxes may play a crucial role in removing regulatory uncertainty and increasing the flow of venture capital into the Fintech venture capital ecosystem. Imerman and Fabozzi (2020) proposed a framework of Fintech ecosystem to classify various types of innovations taking place in financial services. This study uses this ecosystem concept to point out various areas of potential value for investors in this field.

2.2 Issues in the Venture Capital Industry's Investment in Financial Technology

The revolution of interdisciplinary Fintech has let all areas of financial services to have been touched by technology power. This trend brings new entrepreneurship, unfettered innovation, and huge interest in investment from venture capital firms (Gomber et al., 2018). Cumming and Schwienbacher (2018) found that Fintech venture capital is more prevalent in countries with relatively weak regulatory enforcement and lack of major financial centers following the financial crisis. The venture capital industry in different countries has significantly different enthusiasm for investing in financial technology projects. Haddad and Hornuf (2019) examined the influence of economic and technological factors on entrepreneurs building Fintech startups. The result of the study has found that the number of Fintech startups will increase in countries with good economic development and easy access to venture capital. The harder it is for companies to get loans, the higher the number of Fintech startups is in the country. Haddad and Hornuf (2019) also pointed out that the formation of new financial technology startups does not have to rely on opportunities; positive policies can influence the emergence of this new industry.

The study of Khan et al. (2021) found that the venture capital industry benefits from advances in information and communication technology because information and communication technology promotes entrepreneurship and alleviates agency problems in venture capital transactions. The research results show that information and communication technology penetration and the digital economy have a significant and positive impact on early-stage, late-stage and overall venture capital investment. In addition, unsecured loans of bank moderate the influence of the digital economy on venture capital. Zarrouk, El Ghak, and Bakhouche (2021) examine various Fintech level and ecosystem-specific factors as determinants of Fintech startup success and survival. The study finds that the availability of resources, especially through venture capital, is very important to the success and survival of Fintech development of microenterprises. However, financial barriers, the supervision and regulatory environment, and legal issues have a detrimental effect on facilitating the creation and growth of Fintech startups.

Kolokas et al. (2022) explore the growth phenomenon of Fintech entrepreneurship globally and the effect of entrepreneurial ecosystems in various countries on the development of Fintech startups. The study pointed out that venture capitalists have a more active impact on financial technology entrepreneurship than banks, but they need to reach a certain scale of financial technology entrepreneurship in a country then to play a positive role. Venture capital and credit markets can be substitutes for each other in some cases, especially in countries where Fintech entrepreneurship is more developed. However, the praise that financial technology receives from capital markets and investors is not necessarily reflected in the offering price at the time of IPO.

Salerno, Sampagnaro and Verdoliva (2022) study the relationship between Fintech IPOs and the short-term performance of offering prices. The study found that IPOs of Fintech companies are more likely to be undervalued than similar non-Fintech companies. These results were confirmed by taking into account unobserved factors and identify a positive relationship between Fintech IPOs and undervaluation higher offering price.

3. Methodology

3.1 Semi-structured Expert In-depth Interview Method

The research question of this study is to explore the relationships and trade-offs between the role of the venture capital industry in the financial technology sector, namely, the roles of resource provider, risk manager and value creator. In order to answer this question, this study chose semi-structured in-depth interviews as a research method to understand the venture capital industry's actual experience and opinions in financial technology investment. Semi-structured in-depth interview is a powerful qualitative research method that is often used to explore subjective opinions and experiences rather than to measure or verify statistical hypotheses. Through this method, researchers can obtain expert insights and experiences and discover new patterns and trends, which can help improve understanding and knowledge of the research object (Hollings et al., 2014; Ahlin, 2019).

In this method, researchers use interviews with experts to gain an in-depth understanding of their views on specific research issues, and allow experts, according to their own experiences and descriptions, explain and describe in details (Kallio et al., 2016; Creswell and Creswell, 2017). In this study, the researchers conducted interviews with multiple venture capitalists in order to understand how they view their role in the financial technology field and how they weigh the relationship among the three roles of resource provision, risk management, and value creation. We

DOI: 10.25103/ ijbesar.181.01

design a detailed interview guide including open-ended questions and prompting questions to help the expert explore the topic in depth. At the same time, researchers can audio-record, record, and analyse interviews to obtain abandon information about the role of the venture capital industry in the financial technology field. Researchers can obtain affluent materials through semi-structured in-depth interviews to understand how venture capitals balance various roles in practice, and provide practical suggestions and guidance for future venture capitals.

3.2 Research Steps

When conducting research on semi-structured expert in-depth interviews, we followed the following research steps.

Step 1: Determining the research purpose and research questions

The purpose of this study is to explore the role of Taiwan's venture capital industry in the development of Fintech startups. Research questions could involve: What role does the venture capital industry typically play in investing in Fintech startups? How do these roles affect the development of Fintech startups?

Step 2: Selecting interview subjects

This study presets an expert interview list and selects the experts to be interviewed based on their actual experience and expertise. The interviewees for this study include investment managers in the venture capital industry, founders of new financial technology startups, and industry experts.

Step 3: Designing semi-structured interview questions

Researchers need to design semi-structured interview questions according to the research questions to guide the interviewees to conduct in-depth discussions on the research questions. When designing questions, researchers need to pay attention to the openness and depth of the questions, as well as the logic and relevance between the questions.

Step 4: Conducting expert interviews

Researchers need to conduct face-to-face interviews with interviewees and conduct in-depth discussions and discussions based on designed questions. During the interview process, the researcher needs to pay attention to listening and guiding the interviewee, and record the interview content.

Step 5: Record and analyse the interview content

After completing the interview, the researcher needs to properly maintain the interview recordings or notes and transcribe the interview content. The transcribed text data needs to be analysed, and similar opinions can usually be inducted together through coding, and then further be inducted into themes or patterns. When analysing interview content, researchers need to hold openness and objectivity and avoid over-interpretation and bias.

Step 6: Write the research results and analysis

After completing the analysis, the researcher needs to write the results to become a research result and analysis report. The report includes descriptions of interviewees, interview results, discussions and conclusions. The analysis of results should be clear, well-structured, and provide sufficient details to allow the reader to understand the research process and results.

4. Results and Analysis of Semi-structured In-depth Interviews with Experts

4.1 Expert Interview List

When conducting in-depth interviews, the interviewed experts on the list of are very important. It is necessary to ensure that the interviewees are experts with relevant professional knowledge and experience and can provide rich insights and experience. This study is mainly introduced its research topic through professional groups and business organizations to relevant experts, and asks them to provide opinions and suggestions. In the end, 12 interviewed experts came from venture capital (VC), Fintech start-ups (FT) and traditional finance (THI), as shown in Table 1.

Table 1: Semi-structured In-depth Interviewed Experts

Number	Encoding	Industry	Job Title	Seniority	Reason for Selection
1	VC-1	Venture capital industry	Risk Management Manager	16 years	Has accumulated many years of experience in the field of venture capital and has unique insights into risk control
2	VC-2	Venture capital industry	Investment Manager	10 years	Rich venture capital experience in the financial technology field
3	VC-3	Venture capital industry	Deputy General Manager	20 years	Have extensive experience in the field of investment banking and have a keen sense of the operation and changes of financial markets
4	VC-4	Venture capital industry	Investment Manager	18 years	Has extensive experience in the field of investment banking and has participated in the financing projects of several financial

DOI: 10.25103/ijbesar.181.01

					technology companies
5	VC-5	Venture capital industry	Chief Investment Officer	20 years	Have extensive investment experience in the financial technology field
6	FT-1	Fintech start-up company	Chief Financial Officer	30 years	Possess extensive financial expertise and experience, and have in-depth insights into the development trends of financial technology
7	FT-2	Fintech start-up company	General Manager	18years	He once founded a financial technology company and has profound experience in the entrepreneurial process and challenges.
8	FT-3	Fintech start-up company	Risk Management Expert	25years	Have in-depth research and practice on risk management, and have unique insights into the risk control of financial technology.
9	FT-4	Fintech start-up company	Technical Director	13years	Have in-depth understanding and research of financial technology technologies and products
10	TFI-1	Traditional financial industry	Head of Banking Digital Department	15years	Long-term attention to the development of the financial technology field, with relevant professional knowledge
11	TFI-2	Traditional financial industry	Deputy General Manager of Bank	35years	Rich experience in the financial industry and deep understanding of the impact and opportunities of financial technology
12	TFI-3	Traditional financial industry	Senior Researcher	15 years	Conducted in-depth research in the field of financial technology and has unique insights into industry development

Source: Compiled by this study.

4.2 Question Outline for Semi-structured Expert Interviews

Based on the research purpose and preliminary questions, the researchers selected appropriate experts to conduct in-depth interviews. Before conducting an in-depth interview with experts, the questions need to be reviewed to ensure that the questions are clear and unambiguous and lead the expert to answer questions about the research topic. Compiling interview outline is an important step for preparing the interview to ensure that the questions are complete and systematic. The outline should include open-ended questions and in-depth questions, and compiled according to the research question. When conducting expert interviews, researchers also need to be flexible in adjusting questions in order to gain deeper insights and information. Firstly we let experts to express their opinions and experiences freely, and then restricted the questions to a specific range in order to obtain more specific answers. Table 2 shows the nine-item question outline for the in-depth interviews with experts in this study.

Table 2: Question Outline for In-depth Interviews with Experts

Number	Question Type	Interview Question Outline
1	Taiwan recent development of financial technology	Please briefly talk about the opportunities and limitations of Taiwan's Fintech start-ups in recent years.
2	The relationship between the venture capital industry and Fintech startups	How do you view the role of Taiwan's venture capital industry in the development of new Fintech startups?
3	The relationship between the venture capital industry and Fintech startups	What challenges or pressures may Taiwan's venture capital industry face in the development of new financial technology startups?
4	The role of the venture capital industry in Fintech startups	What advantages does Taiwan's venture capital industry have in providing resources to new financial technology startups when comparing with traditional financial institutions? Or are there any restrictions?
5	The role of the venture capital	In terms of risk management, what strategies has the Taiwan venture capital industry adopted to reduce risks? What are the challenges?

	industry in Fintech startups	
6	The role of the venture capital industry in Fintech startups	What experience or strategies does Taiwan's venture capital industry have in helping new financial technology startups add value?
7	The role of the venture capital industry in Fintech startups	How do you think Taiwan's venture capital industry should balance resource provision, risk management, and value creation?
8	Cooperation model between venture capital industry and financial technology startups	What conditions should Fintech startups strengthen when looking for venture capital partners?
9	Cooperation model between venture capital industry and financial technology startups	In the future, in terms of the development of new financial technology startups, what direction do you think Taiwan's venture capital industry should develop?

Source: Compiled by this study.

During the interview, it needs to briefly introduce self and the purpose of the research, and confirm whether the interviewee agrees to audio or video recording. According to the interview outline, questions are asked in sequence and the interviewees are given sufficient time to answer. At the same time, further questions or discussions are guided based on the responses of the interviewees. After the interview, the audio or video content is transcribed into text format, organized and analysed. This can be done through labelling, classification, induction, etc.

4.3 Main Interview Content and Analysis

As shown in Table 2, there are 9 items in the question outline of in-depth interviews with experts in this research. Certainly, during the interview process, we tried our best to guide the interviewed experts to express their views and opinions on these questions. The following is a summary of the essential parts of the content of the interviewed experts.

4.3.1 Opportunities and Limitations for the Development of Taiwan's Financial Technology Startups in Recent Years

In Taiwan, the development of the financial technology industry has gradually become the focus of attention from all walks of life since 2015, and has also become an important policy for the government to promote digital economy and innovation. Promoted by such policies, financial technology startups have developed a variety of products and services. Various attempts to integrate financial services and technology have improved customer experience and convenience. The following are the results of the integration and analysis of the opinions of the interviewed experts.

> *As far as opportunities for financial technology startups are concerned, firstly, in response to global digitalization and intelligence trends, the integration of the financial industry and the technology industry has become a trend. (VC-1-1, VC-5-1, FT-1-1)*

> *In Asian, the market is huge, and in Taiwan, in order to respond the requirement of Asia market, it has also developed differentiated financial technology startups increasing Taiwan's competitive advantages. (VC-4-1, FT-2-1, FT-4-1, TFI-1-1)*

> *The Taiwan government has also developed a series of policies and measures to encourage the development of financial technology including Fintech-related regulations and funding subsidies, helping new financial technology startups solve difficulties in the implementation process, at same time, also increasing the development potential of the financial technology industry. (VC-2-1, FT-1-1, TFI-2-1, THI-3-1)*

However, Fintech startups also face some limitations.

> *The development of financial technology requires cooperation with traditional financial institutions such as banks, but traditional financial institutions are slow to respond and tend to have a conservative attitude towards new technologies. (VC-1-1, VC-3-1, TFI-2-1)*

> *The development of Fintech startups requires a large amount of capital investment. However, Taiwan's investment culture is relatively conservative and it is not easy to invest in Fintech startups with higher risks. (FT-1-1, FT-2-1, TFI-1-1, THI-3-1)*

DOI: 10.25103/ijbesar.181.01

The laws and regulations involved in financial technology startups are relatively complex, and how to comply with the regulations is also a big challenge. (VC-2-1, FT-3-1, TFI-2-1)

Due to the relatively rapid development of the financial technology industry, financial regulatory authority of Taiwan, therefore, is also confronted with corresponding challenges in establishing and adjusting the regulatory framework. (VC-4-1, FT-2-1, FT-4-1, THI-3-1)

The financial technology industry also needs to establish good cooperative relationships with traditional financial institutions to achieve resource sharing and complementation. This is also another important challenge faced by the development of new financial technology companies. (VC-5-1, FT-3-1, THI-3-1)

Fintech start-ups are facing opportunities and challenges in Taiwan. Policy support from government and industrial integration will be the key to the development of Fintech start-ups. However, as the country and industry attach more importance to and invest in Fintech, and as Fintech-related regulations continue to promote and improve, we believe that the development prospects of Fintech startups of Taiwan are still very promising.

4.3.2 The Role of Taiwan's Venture Capital Industry in The Development of Fintech Startups

The venture capital industry of Taiwan plays multiple roles in the development of new Fintech startups. First of all, venture capitalists can act as resource providers to provide supports for start-ups in terms of capital, contacts, technology, marketing, and management, and to promote the rapid growth of start-ups. Secondly, venture capitalists are also risk managers, who evaluate and control risks on the business models, products, and market prospects of start-up companies to avoid losses caused by investment failures. Finally, venture capitalists are also value creators. They can not only create wealth, but also provide strategic guidance and experience sharing to help start-ups achieve their business goals and long-term value. The followings are the results of the integration and analyses of the opinions of the interviewed experts.

With the rapid development of the financial technology industry, venture capital investors have begun to focus on investing in new financial technology startups, and promote the development of the entire industry. (VC-1-2, FT-2-2, FT-3-2, FT-4-2)

In addition to providing financial support, venture capital investors also provide rich industrial resources and experience, and use these resources to help new startups grow rapidly. (VC-2-2, VC-5-2, FT-1-2, TFI-1-2)

The venture capital industry will also transfer their experience and resources from other companies to Fintech start-ups and provide valuable advice and guidance to assist them in better development and growth. (VC-1-2, VC-3-2, FT-3-2)

Investment and support of the venture capital industry can also bring more opportunities to new financial technology startups, such as guidance on market positioning, business models and strategic directions to further create value. (VC-2-2, VC-5-2, FT-1-2, TFI-1-2)

However, venture capitalists also face some limitations when investing in Fintech startups.

The relevant laws and regulations of the financial technology industry are relatively complicated, and venture capitalists need to spend more time and energy on risk assessment and legitimate preparation. (VC-1-2, VC-4-2, FT-3-2, TFI-3-2)

The financial technology industry has a high entry requirement that needs more professional knowledge and technical support, and puts forward higher requirements for the technical capabilities of venture capitalists. (VC-2-2, FT-1-2, TFI-2-2)

It is difficult to predict the market demand and development process of new financial technology startups; therefore, the risk management capabilities of the venture capital industry have met the higher demand.

(VC-3-2, FT-2-2, FT-4-2)

The market competition in the financial technology industry is fierce, and requires new startups to have strong operating capabilities and market competitiveness, which also increases the investment risks of venture capital investors. (VC-4-2, FT-2-2, TFI-3-2)

Fintech start-ups need to invest a lot of resources in their operations, including technology, manpower, and capital. These resource requirements will also be a challenge in investment decision-making and management. (VC-3-2, VC-5-2, TFI-3-2).

DOI: 10.25103/ ijbesar.181.01

4.3.3 Challenges or Pressures that Taiwan's Venture Capital Industry Faces in Investing in Fintech Start-Ups

Investing in Fintech start-ups in the venture capital industry is a high-risk and high-reward activity, and venture capital industry faces relatively larger challenges and pressures and requires corresponding professional knowledge and resources to ensure the success of the investment. The following are the results of the integration and analyses of the opinions of the interviewed experts on this topic.

> *The Fintech market exists highly competitive both in Taiwan and globally, with innovative companies contenting for market share and customers. (VC-1-3, VC-5-3, FT-1-3, FT-3-3, TFI-1-3)*
>
> *As more investors and capital enter the field of financial technology, new financial technology startups of Taiwan are facing increasingly fierce market competition. This makes investors need to be more careful in choosing the companies that they will invest in, as only successful companies can bring back rewards. (VC-3-3, VC-4-3, FT-4-3, TFI-3-3)*
>
> *Before launching their products and services, Start-up companies have a deeper understanding of market needs and trends, and, during the development of products and services, companies focus on innovation and quality which can let them stand out. t (VC-1-3, VC-5-3, FT-2-3, TFI-1-3, TFI-2-3)*
>
> *The area that Fintech startups often get involved requires considerable technical and professional knowledge. For the venture capital industry, this can be a challenge in finding teams and management with appropriate technical capabilities. (VC-3-3, FT-1-3, FT-3-3, TFI-2-3)*
>
> *Fintech startups must comply with corresponding laws and regulations, especially in terms of financial supervision and personal privacy protection. This has also brought corresponding pressure to the investment and management of the venture capital industry. (VC-2-3, VC-4-3, TFI-1-3)*
>
> *Taiwan's regulatory agencies are also constantly paying attention to the development and impact of new financial technology startups and taking measures to ensure their robustness and sustainability. This may increase the challenges and pressure for some Fintech startups to obtain licensing and compliance. (VC-1-3, VC-5-3, FT-2-3)*
>
> *Fintech startups are usually high-risk, high-reward investments, which brings higher risks and uncertainties to the venture capital industry. (VC-2-3, VC-3-3, FT-3-3, TFI-2-3, TFI-3-3)*
>
> *The venture capital industry needs to invest a lot of money and resources when investing in Fintech startups. The sourcing and distribution of these resources also require corresponding challenges. (VC-1-3, VC-4-3, FT-2-3, FT-4-3)*
>
> *Since Fintech startups often rely on technology and data, information security and privacy protection are also important challenges. Fintech startups need to ensure the security of their systems and data and comply with relevant data privacy regulations and standards to build trust and maintain user satisfaction. (VC-2-3, FT-1-3, FT-4-3, TFI-3-3)*

4.3.4 Compared with Traditional Financial Institutions, the Advantages or Limitations of Taiwan's Venture Capital Industry for Fintech Startups

Taiwan's venture capital industry has the following advantages in providing resources to financial technology startups compared with traditional financial institutions.

> *Compared with traditional financial institutions, the venture capital industry usually takes higher risks and is willing to invest in innovative Fintech fields. However, due to regulations and regulatory restrictions, traditional financial institutions usually only invest in relatively mature projects. For higher projects, you will be more cautious. (VC-1-4, VC-3-4, VC-5-4, FT-1-4, TFI-1-4)*
>
> *The venture capital industry has higher risk tolerance and professional knowledge, and can have a deeper understanding of the business and technology of Fintech start-ups, and provide more flexible resources and support to help companies grow. (VC-1-4, VC-4-4, FT-2-4, FT-3-4, TFI-3-4)*
>
> *Investors in the venture capital industry usually have experience and professional knowledge in related industries and can provide financial technology startups with advice and assistance in product design, business models, market development, etc., and help new startups further expand their markets. (VC-1-4, VC-3-4, FT-1-4, TFI-1-4)*
>
> *The venture capital industry can help start-up companies integrate resources, such as assisting companies in recruiting senior management personnel, developing partnerships, establishing business cooperation, etc., which is very important for start-up companies. (VC-2-4, VC-5-4, FT-3-4, TFI-3-4)*
>
> *Another advantage of Taiwan's venture capital industry compared to traditional financial institutions in providing resources is that it is more flexible and highly professional. Due to the diverse business models and technology products of Fintech startups, traditional financial institutions are often unable to fully understand and evaluate their value, and therefore have limited willingness and ability to provide resources. (VC-2-4, VC-4-4, FT-4-4, TFI-2-4)*

DOI: 10.25103/ijbesar.181.01

However, Taiwan's venture capital industry still faces some restrictions when investing in Fintech startups.

When Taiwan's venture capital industry invests in Fintech start-ups, it is limited by the source and amount of its own funds. It may not be able to invest a large amount of funds to support the development of start-ups, which limits the development of new start-ups in terms of market expansion and other aspects. (VC-3-4, VC-5-4, FT-1-4, FT-4-4)

The resource scale of the venture capital industry is relatively small and the funds and resources provided are limited, so it needs to be more cautious in investment and support decisions. (VC-1-4, VC-4-4, FT-2-4, TFI-1-4)

The nature of venture capital investment in the venture capital industry determines that it must obtain considerable returns within a limited time. Therefore, the allocation of resources may be more focused on companies that can grow quickly and make profits, while for innovative or risky financial technologies Startups can be conservative. (FT-2-4, FT-3-4, TFI-2-4, TFI-3-4)

When Taiwan's venture capital industry invests in new financial technology startups, it needs relevant professional talents to conduct evaluation and investment. However, compared with foreign venture capital industries, the total number of talents in Taiwan still needs to be improved, and it will have a greater impact on investment decisions. (VC-2-4, VC-3-4, FT-2-4, TFI-2-4)

The laws, regulations, regulatory risks and other issues involved in financial technology startups are relatively complex. Regarding the actual application of financial technology, the attitudes and policies of Taiwan's relevant government ministries tend to be conservative. (VC-3-4, VC-4-4, FT-4-4, TFI-1-4)

4.3.5 Risk Management Strategies and Challenges in Taiwan's Venture Capital Industry

Taiwan's venture capital industry faces multiple risks when investing in Fintech startups, and therefore needs to implement effective risk management strategies to ensure investment returns and reduce investment risks. Integrating the opinions of interviewed experts, Taiwan's venture capital industry usually adopts the following strategies in terms of risk management.

Before making an investment decision, the venture capital industry will strictly evaluate and monitor potential investment targets to ensure that the company has feasibility, market opportunities and a stable business model. After investment, the venture capital industry will continue to monitor the company's operating conditions and financial performance, and adjust investment strategies in a timely manner to reduce risks. (VC-1-5, VC-5-5, FT-1-5, TFI-1-5)

Taiwan's venture capital industry will conduct sufficient research and due diligence before investing to understand the new startup's products, market, customers, competitors, team, etc. By understanding the company's business model, the venture capital industry can better assess risks and opportunities and provide targeted recommendations. (VC-2-5, VC-3-5, FT-3-5, FT-4-5, TFI-2-5, TFI-3-5)

The venture capital industry usually spreads funds into multiple different targets to reduce risk. This diversified investment strategy can reduce the risk of a single target, and at the same time improve the return of the entire investment portfolio. (VC-1-5, VC-3-5, VC-5-5, FT-1-5, TFI-1-5)

In addition to capital investment, the venture capital industry will also provide counseling and support to help companies improve operational efficiency and risk management capabilities. The venture capital industry may provide support in business model optimization, legal advice, marketing and talent recruitment. (VC-1-5, VC-4-5, VC-5-5, FT-3-5)

In terms of risk management, Taiwan's venture capital industry also conducts risk management by establishing business relationships, in-depth understanding of the business model of start-up companies, and supervising corporate governance. Establishing business relationships can help start-ups achieve their business goals and add value by providing them with business advice, market expansion, and resource integration after investment. (VC-2-5, VC-4-5, FT-2-5, FT-3-5)

Taiwan's venture capital industry also attaches great importance to the governance supervision of start-up companies, so as to ensure that there will be no risks or violations in the company's operations. This includes establishing a good corporate governance structure, setting up an independent board of directors and board of supervisors, formulating a suitable internal control system, strengthening financial management and risk control, etc. (VC-3-5, FT-1-5, FT-2-5, FT-4-5, TFI-3-5)

However, Taiwan's venture capital industry also faces some challenges or obstacles in terms of risk management.

Compared with foreign venture capital industries, Taiwan's venture capital industry has a relatively small demand for risk management talents, so the number of relevant professionals is relatively small. (VC-1-5, VC-4-5, FT-3-5, TFI-1-5, TFI-2-5)

DOI: 10.25103/ ijbesar.181.01

The operating environment and market of start-up companies are changing rapidly, and risks are constantly emerging and changing. The venture capital industry needs to continuously improve its awareness of risks and ability to cope with market challenges and changes. (VC-2-5, VC-5-5, FT-4-5, TFI-2-5)

Some venture capital industries may overemphasize short-term returns and ignore the long-term investment value of risk management, which will also pose certain challenges to risk management. (VC-2-5, VC-4-5, FT-2-5, FT-4-5, TFI-3-5)

Taiwan's venture capital industry also needs to pay more attention to and strengthen the governance and risk control of new startups to protect the rights and interests of investors. (VC-3-5, FT-1-5, FT-2-5, TFI-2-5)

4.3.6 Taiwan's Venture Capital Industry's Strategies to Help New Financial Technology Startups Increase Value

Taiwan's venture capital industry can provide various support and assistance in assisting financial technology startups to increase their value and help them achieve long-term goals and strategies for innovation and development. The following is a summary and analysis of the opinions of interviewed experts on this issue.

The venture capital industry often has rich investment experience and industry knowledge, and can help Fintech start-ups solve problems and increase value through professional guidance and consultation. (VC-1-6, VC-3-6, FT-1-6, FT-4-6, TFI-1-6)

The venture capital industry not only provides funds, but also provides companies with vision and strategies, assisting companies in formulating long-term plans, formulating market strategies, and integrating various resources. (VC-1-6, VC-4-6, VC-5-6, FT-3-6)

The venture capital industry can assist in the establishment of an industrial ecosystem, promote cooperation and exchanges between different industries, and enhance the integration and innovation of products and services. Through close cooperation and communication, the venture capital industry can have a deeper understanding of the company's needs and problems, and provide more appropriate assistance and suggestions. (VC-2-6, VC-5-6, FT-1-6, TFI-1-6, TFI-2-6)

The venture capital industry can provide resource support, including human, financial, technical and market support, to help Fintech start-ups achieve growth and development. (VC-1-6, VC-3-6, FT-2-6, FT-3-6, TFI-3-6)

The venture capital industry can assist Fintech start-ups to build their brand image, enhance the popularity and market position of their products and services. The venture capital industry can also help companies obtain more resources and support and increase their competitiveness in the market by establishing good relationships with all walks of life. (VC-2-6, VC-5-6, FT-1-6, FT-2-6, FT-4-6, TFI-3-6)

Through industry events and seminars, we will strengthen communication and network building, and assist Fintech startups to expand their markets and find cooperation opportunities. (VC-2-6, VC-4-6, VC-5-6, FT-3-6, TFI-1-6)

Furthermore, Taiwan's venture capital industry usually provides services such as public relations activities and assistance in applying for government resources to help new financial technology startups increase their market value.

Venture capital companies can assist financial technology startups in planning promotional activities, product launches and other public relations activities, and invite media, investors, industry experts, etc. to participate to increase the company's exposure and reputation. (VC-1-6, VC-3-6, VC-4-6, FT-2-6, FT-4-6, TFI-2-6)

Venture capital firms can also assist Fintech start-ups to apply for government resources, such as innovation and entrepreneurship grants and R&D plans from the Ministry of Science and Technology. These resources can help Fintech start-ups reduce R&D costs, improve technology and market competitiveness, thereby increasing company value. (VC-2-6, VC-4-6, VC-5-6, FT-4-6, TFI-2-6)

4.3.7 The Balance Between Resource Provision, Risk Management and Value Creation in Taiwan's Venture Capital Industry

When the venture capital industry invests in new financial technology startups, it usually provides support in terms of capital, human resources and network resources. These resources can help startups grow faster and expand market share. Investing in Fintech startups is relatively risky. The venture capital industry needs effective risk management. These risks include market risk, technology risk and management risk. The venture capital industry usually sets investment goals as companies that can create value. Therefore, the venture capital industry needs to help companies achieve value creation while ensuring their own return on investment. The following summarizes expert opinions on how the venture capital industry can strike a balance among resource provision, risk management and value creation.

DOI: 10.25103/ijbesar.181.01

The venture capital industry can reduce the risk of a single investment by establishing a diversified investment portfolio. The venture capital industry can also ensure that each project in its portfolio can earn good returns through continuous supervision and management. (VC-1-7, VC-2-7, VC-5-7, FT-1-7, TFI-1-7)

The venture capital industry needs to carefully consider the risks and returns of each investment project, and conduct adequate assessment and monitoring before investing. When making investment decisions, the venture capital industry needs to balance resource provision, risk management, and value creation to ensure the long-term success of its investment strategy. (VC-1-7, VC-4-7, FT-4-7, TFI-3-7)

The venture capital industry needs to pay close attention to the development trend and market changes of the financial technology industry, and adjust its investment strategy and investment portfolio based on in-depth insights into the industry to ensure that it can maintain its competitiveness in this fast-growing industry. (VC-2-7, VC-4-7, FT-1-7, TFI-3-7)

Over-investment may cause new startups to lose momentum, and may also cause the venture capital industry to lose investment returns. The venture capital industry needs to determine the scale of investment based on the actual needs and development status of new startups. (VC-1-7, VC-3-7, TFI-1-7)

The resources provided should meet the needs of new startups and truly help them improve efficiency and create value. (VC-2-7, FT-1-7, FT-4-7, TFI-2-7)

Balancing the roles of resource provider, risk manager, and value creator is an important issue that Taiwan's venture capital industry needs to consider when investing in Fintech startups. Balance and adaptation need to be achieved through thorough market research, risk assessment and business planning. (VC-1-7, VC-4-7, FT-2-7, FT-3-7, TFI-2-7)

The venture capital industry can choose different roles based on its own advantages and market needs. In actual operation, the venture capital industry usually provides different supports and services based on the company's development stage and needs to maximize value creation. (VC-2-7, VC-3-7, VC-5-7, FT-3-7, TFI-3-7)

If the venture capital firm lacks the relevant expertise and skills, then playing the role of risk manager may be a more suitable choice. If the venture capital firm is good at marketing and brand building, it may be more suitable to play the role of value creator. If a venture capital firm has a large amount of resources, such as financial resources, human resources, etc., then it may be more advantageous to play the role of resource provider. (VC-3-7, VC-5-7, FT-3-7, FT-4-7, TFI-3-7)

Therefore, Taiwan's venture capital industry needs to consider its own situation when investing in Fintech start-ups, and balance resource provision, risk management, and value creation. Play different roles at different stages of investment. They can balance these aspects through diversified investment portfolios, risk assessments, active partnerships, professional management consulting and guidance. They should also be aware of changes in markets and technology, as well as the latest developments in risk management and value creation, in order to continue creating value and generating returns for investors.

4.3.8 Conditions for Cooperation between Financial Technology Startups and Venture Capital

When the venture capital industry invests in Fintech start-ups, it needs to comprehensively consider multiple conditions and factors to determine whether it is worth investing in. Investors should balance the three aspects of resource provision, risk management and value creation to achieve long-term returns and value. However, the conditions for cooperation between Fintech start-ups and venture capital are likely to be a two-way mutual evaluation process. The following is a summary and analysis of the opinions of interviewed experts on this issue.

The team of a Fintech start-up company should have rich industry experience and technical capabilities. Investors will evaluate the team's capabilities and past experience to determine whether it has the ability to solve problems and innovate. So, to determine if they have the ability to successfully launch a product or service. (VC-1-8, VC-3-8, VC-5-8, FT-3-8, TFI-3-8)

Fintech startups should develop products or services that address existing market needs. Investors need to evaluate whether the solution proposed by the startup solves an existing market problem and whether the market needs such a solution. (VC-1-8, VC-4-8, VC-5-8, FT-1-8, TFI-1-8, TFI-3-8)

The technology of Fintech startups should be competitive. Investors evaluate technology for uniqueness and implementability to determine whether it can successfully launch a product or service. If the product lacks innovation, or if it faces stiff competition, the VC may consider the investment risk too high. (VC-1-8, VC-5-8, FT-1-8, FT-3-8, TFI-1-8)

DOI: 10.25103/ ijbesar.181.01

Fintech startups should have sustainable business models. Investors need to evaluate whether a company's business model is viable and capable of generating substantial profits within a set period. (VC-1-8, VC-3-8, VC-4-8, FT-2-8, TFI-1-8, TFI-2-8)

Investors need to assess the size of the market to determine whether the company can gain a sufficient share of the market. If the market size is too small, or the prospects are not clear enough, venture capital may choose not to invest. (VC-2-8, FT-1-8, FT-3-8, FT-4-8, TFI-2-8)

Investors consider the current financing needs of Fintech startups as well as their future funding needs. Investors evaluate whether the company needs more capital to support its long-term growth and whether it can attract more investors. (VC-2-8, VC-3-8, FT-2-8, TFI-3-8)

Venture capital typically evaluates the financial health and growth potential of Fintech startups. If the company is financially unstable or lacks sufficient growth potential, venture capital investors may choose not to invest. (VC-2-8, VC-4-8, FT-1-8, FT-2-8, FT-4-8, TFI-2-8)

The cooperation attitude and cultural matching between venture capital and Fintech start-ups are also very important. Collaboration can be difficult if the values and cultures of the two parties do not match. (VC-3-8, VC-5-8, FT-4-8, TFI-3-8)

Taken together, team capabilities and expertise, industry prospects and market size, product innovation and competitive advantages, technical level, business model, financial status and growth potential, financing needs, cooperative attitude and cultural match. These conditions and factors may affect the evaluation of investment cases.

4.3.9 Future Development Direction of Taiwan's Venture Capital Industry and Fintech Startups

The cooperation between Taiwan's venture capital industry and financial technology startups has begun to take shape and has achieved concrete results and investment returns. However, in the face of the future development of new technologies and competition from international financial technology companies, Taiwan's financial technology industry needs to continue to work hard to increase competitiveness and profitability. The venture capital industry also needs to step up its pace to understand industry trends and create potential investment opportunities. The following is a summary and analysis of the opinions of interviewed experts regarding the future development direction of Taiwan's venture capital industry and financial technology startups.

The field of financial technology is very broad, including payment, lending, investment, insurance and other sub-fields. The future venture capital industry can conduct in-depth research on these sub-fields and strengthen investment in innovative technologies. (VC-1-9, VC-4-9, FT-1-9, FT-4-9, TFI-2-9, TFI-3-9)

In terms of technology, the venture capital industry needs to continuously learn and grasp the development trends of emerging technologies in the field of financial technology, and consider whether the technology has a competitive advantage and sustainability in investment decisions. (VC-1-9, VC-5-9, FT-2-9, FT-3-9, TFI-1-9)

With the development of technologies such as blockchain, artificial intelligence, and the Internet of Things, the venture capital industry also needs to pay attention to the application and impact of these technologies in financial technology and look for investment opportunities. (VC-2-9, VC-4-9, FT-1-9, TFI-1-9)

In the development of new financial technology startups, Taiwan's venture capital industry should focus on innovation capabilities, industry depth, and diversity of investment targets, conduct risk management, and balance roles such as resource provision, risk management, and value creation to ensure that it can achieve success in the future. Consistently achieve a good return on investment. (VC-2-9, FT-1-9, FT-2-9, TFI-3-9)

In addition to investment, the venture capital industry can also provide more coaching services, such as business model design, market promotion, talent introduction, etc. These services can help Fintech startups better respond to market changes and improve their competitiveness. (VC-3-9, VC-4-9, FT-4-9, TFI-3-9)

The financial technology field needs more industry-university cooperation to promote technology innovation and application. The venture capital industry can play a greater role in this regard, such as cooperating with universities, research institutions, etc. to promote technology transfer and joint research and development. (VC-1-9, VC-5-9, FT-3-9, FT-4-9)

Fintech startups also need to strengthen their core competitiveness, continue to innovate, explore new business models, improve the quality of products and services, and provide better returns for the venture capital industry. (VC-2-9, VC-5-9, TFI-1-9)

In the future, the development direction of Taiwan's venture capital industry and Fintech startups will be interrelated and mutually reinforcing. The venture capital industry needs to continue to improve investment strategies, improve risk control capabilities, and provide more comprehensive support and resources for financial technology startups to help them achieve long-term and stable development. (VC-1-9, VC-3-9, FT-2-9, TFI-2-9, TFI-3-9)

DOI: 10.25103/ijbesar.181.01

With the development of global financial technology, there are more and more opportunities in the international market. After all, the scale of Taiwan's financial market is still not enough to support the development of Fintech start-ups. The venture capital industry can help new financial technology startups further explore the international market, such as providing market intelligence, cooperation opportunities, etc., to accelerate their internationalization process. (VC-3-9, VC-5-9, FT-3-9, TFI-2-9)

5. Conclusion and Recommendations

This paper uses semi-structured expert in-depth interviews as a research method to explore the role that Taiwan's venture capital industry plays in the development of new financial technology startups. Taiwan's venture capital industry plays a variety of roles, resource provider, risk manager and value creator. This depends on factors such as the venture capital firm's investment strategy, risk appetite, and business model. When Taiwan's venture capital industry invests in new financial technology startups, the most important roles from the initial stage to the growth stage are resource providers and risk managers. Venture capital firms can provide resources such as capital, expertise, network connections and industry experience to help Fintech startups develop and grow. Moreover, the risks in the financial technology field are higher than in other fields, and venture capital companies should have a full understanding of the risks to minimize them and ensure investment returns. When Fintech startups gain a foothold in business, R&D results or revenue. Venture capital firms should look for investment opportunities that bring the greatest value to their portfolios and assist startups in achieving their business goals and long-term growth.

The research results also show that venture capital firms can increase their influence and chances of success in Fintech startups by balancing their roles in resource provision, risk management, and value creation. When VCs are able to provide appropriate resources to de-risk Fintech startups and help them create value, VCs may build closer relationships between investors and startups, thereby increasing success rates and rate of return. Therefore, venture capital firms should balance these three roles based on the specific needs and market trends of Fintech startups to achieve maximum value and benefits. At the same time, venture capital firms can adopt more flexible investment structures, such as providing longer-term investments or creating larger investment funds, to better support the development of Fintech startups. VCs can enhance their capabilities by building stronger professional teams and networks, for example by collaborating with academic institutions, industry leaders and government agencies. Additionally, venture capital firms can stay sharp by studying market trends and technological developments to better understand the industry and individual company needs. These recommendations may help venture capital firms better fulfill their roles in Fintech startups and better support the development of these companies.

Future research can expand the scope of the study to other countries or regions to explore the differences in the role of the venture capital industry in financial technology startups in different regions. It is also possible to explore the changes in the role of the venture capital industry in different stages of financial technology startups, and the possible impact on the role of the venture capital industry due to the characteristics of different stages. Future research can also explore the operation mode and strategy of the venture capital industry in different fields.

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