# Chinese Taipei

|  |  |
| --- | --- |
| **Chinese Taipei’s Bogor Goals Progress Report (as at 3 September 2018)[[1]](#footnote-1)\*** | |
|  | **Highlights of Achievements and Areas for Improvement** |

* Average MFN tariff rate was 6.4%, with tariffs for agricultural goods being over three times higher than those for non-agricultural goods. Import tariffs were reduced for certain products, but tariff rate quotas remain.
* The number of products requiring import licenses were reduced. Certain goods were prohibited from import for public health and safety reasons.
* Amendments were made to facilitate companies in hiring foreign employees within Chinese Taipei. Work permits expanded from three to five years.
* Foreign investment regulations were relaxed, but some sectors are still prohibited or restricted for foreign investors.
* Continuous efforts are being made to align domestic standards with international standards.
* Increasing the use of technology in customs procedures and immigration processes.
* Rising numbers of Authorized Economic Operators (AEOs).
* Extensive international collaborations regarding intellectual property rights (IPR).
* Changes were made in competition policy regulations related to mergers. A higher domestic turnover threshold was set and a global sales threshold for companies to notify mergers was adopted.
* Increased lengths of time for merger reviews.
* Longer period to allow stakeholders to provide an opinion regarding draft laws and regulations.
* Efforts in place to streamline procedures in various industries.

|  |  |
| --- | --- |
|  | **Summary of Topics** |

Tariffs

As of 12 March 2018, Chinese Taipei reported that 29% of its tariff lines are tariff free. The average MFN tariff rate of all products was 6.4%. Average tariffs for agricultural and industrial products were 15.1% and 4.2%, respectively.

To fulfil their tariff commitments under WTO’s Declaration on the Expansion of Trade in Information Technology Products, Chinese Taipei reduced its import tariffs on 201 products, which entered into force on 18 May 2016. Similarly, Chinese Taipei reduced its import tariffs to 5% on four items of renewable energy power generating sets and two items of turbine generating sets in line with its commitments to the outcomes of the APEC List of Environmental Goods.

At the bilateral level, Chinese Taipei lowered import customs duties on 54 products from Paraguay after the Economic Cooperation Agreement with Paraguay entered into force on 28 February 2018.

Tariff rate quotas are applied to 32 tariff lines, consisting of agricultural products such as red beans, peanuts, garlic, certain fruits, betel nuts, shaddock, rice and rice products.

Non-Tariff Measures

As of 3 January 2018, the number of items which requires automatic import licenses has been reduced to 3 from 37 in 2015 at 10-digit HS Code level. 91 items at 10-digit HS Code level remain subjected to import prohibitions. This includes whale sharks, puffer fish, narcotics, toxic chemicals, and waste lead-acid accumulators.

Services

In 2016, Chinese Taipei launched the “Five plus Two Industrial Innovation Plan” to support innovation. The “Act for the Recruitment and Employment of Foreign Professionals” was enacted as part of this plan, which allows companies more flexibility in hiring foreign employees, and makes it easier for foreign employees to work in Chinese Taipei. Work permits were expanded from three years to five years in some cases, and requirements regarding the minimum duration of stay for maintaining permanent residency were abolished.

Amendments to the Electricity Act were passed in January 2017 to liberalize the supply of green energy within 1 to 2.5 years, while renewable energy will be allowed to be sold to users directly from renewable energy generators.

Within the finance sector, the “Regulations Governing the Declaration of Foreign Exchange Receipts and Disbursements or Transactions” was amended in March 2017 to allow securities firms to engage in NTD spot foreign exchange transaction businesses.

In order to provide financial consumers with more convenient and diversified financial products and services, maximizing the benefit of financial inclusion, Chinese Taipei has started to implement the Financial Technology Development and Innovative Experimentation Act since April 30, 2018. The Act helps promote Fintech development and establishes an innovative experimentation mechanism which will create a safe environment for FinTech providers to conduct R&D and pilot trials. The experimentation period may extend to 3 years upon the competent authority’s approval.

Investment

The revised “Negative List for Investment by Overseas Chinese and Foreign Nationals” was enforced on 8 February 2018. The current list prohibits foreign investment in industries such as chemical manufacturing, land transportation and broadcasting. Others such as agriculture, electricity and gas supply, and legal activities are restricted for foreign investors. Chinese Taipei regularly reviews this list to reduce the number of prohibited or restricted industries for foreign investors.

Chinese Taipei is looking to amend The Statute for Investment by Foreign Nationals. Future amendments will revise foreign investment regulations from “approval beforehand” to “notification afterwards in principle, approval beforehand in exception.”

Standards and Conformance

Chinese Taipei has aligned 22 of its domestic standards to the 24 targeted international standards under APEC SCSC’s Voluntary Action Plan 2014-2018 for Alignment Work.

Some trade concerns have been raised recently against Chinese Taipei at the WTO Technical Barriers to Trade (TBT) and Sanitary and Phytosanitary (SPS) Committees. The TBT-related concern raised in March 2018 involve the draft of the Organic Agriculture Act. With regards to recent SPS measures, concerns regarding Chinese Taipei's import restrictions in response to an import ban of food exports from five Japanese prefectures after the accident of a nuclear power plant were raised in 2017 with no reported resolution.

Customs Procedures

Chinese Taipei Customs deployed a new e-seal mechanism for containers in 2017. The seal combined a paper seal with RFID electronic components, which adopts NFC (Near Field Communication) specifications. It can be encoded and scanned to reveal information about the containers with a smart phone.

Chinese Taipei established 696 Authorized Economic Operator (AEOs) as of December 2017, an increase from 638 in December 2015. In addition, Chinese Taipei has established mutual recognition of AEOs with the United States, Singapore, Israel and Korea.

Intellectual Property Rights

An amendment to the Patent Act was promulgated on 18 January 2017 and entered into force on 1 May 2017. Major revisions to the Patent Act include extending the grace period for filing invention patent and utility model patent applications from 6 months to 12 months, which provides inventors with greater protection.

Chinese Taipei engages in various collaborations with other economies. The IP Authority has extended its Patent Prosecution Highway (PPH) Mottainai pilot program with Japan by three years. A similar program with Polish and Canadian authorities commenced separately in August 2017 and February 2018 respectively. Additionally, MOUs on the deposit of biological material and IP cooperation were signed with the UK and the EU IPO in December 2017 and January 2018, respectively. Chinese Taipei also signed an MOU with the United States to strengthen cooperation on combatting intellectual property infringement and trade fraud crimes in February 2017.

Competition Policy

The Fair Trade Commission (FTC) amended the “Thresholds and Calculation of Sales Amount which Enterprises of a Merger Shall File with the Fair Trade Commission” in 2016. The FTC increased domestic turnover thresholds for non-financial sectors and financial sectors, and adopted a standalone threshold including the global sales of merging parties.

Article 11 of the Fair Trade Act was amended on 14 June 2017 to revise the merger review period from 30 calendar days to 30 working days. A new provision was also added to stipulate the procedure of reviewing hostile acquisition. If one of the merging parties disagrees on the merger, the FTC should provide necessary information to that party in advance and consult its opinion.

Deregulation/Regulatory Review

The preview period for draft laws and regulations was extended from 14 days in principle to 60 days in October 2016 to allow stakeholders sufficient time to express opinions.

Legislation on various industries such as insurance, chemical and retail were amended to streamline procedures through the use of single window systems, and easing regulations. Use of technology was also encouraged through digital signatures and online filing platforms.

Mobility of Business People

Chinese Taipei launched its eVisa Program on 12 January 2016. The program streamlines the visa application process and is applicable to passport holders from 23 economies as of January 2018.

Besides Chinese Taipei passport holders, U.S. Global Entry members have been able to use the Automated Immigration Inspection System (E-Gate) since 1 November 2017. E-Gate uses facial images and fingerprints to verify travellers’ identities.

Transparency

Chinese Taipei published an order in July 2017 requiring international accounting standards such as the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), and those by the International Financial Reporting Interpretations Committee be implemented in 2018.

RTA/FTAs

Currently Chinese Taipei has eight Free Trade Agreements (FTA) or Economic Partnership Agreements (EPA) in force.[[2]](#footnote-2)

1. \* This brief report was prepared with information from Chinese Taipei’s submission of 2018 APEC Individual Action Plan (IAP) template: WTO 2016 World Tariff Profiles: 2015 WTO Trade Policy Review – Report by the Secretariat; the WTO TBT and SPS system; and the National Development Council; Law and Regulations Database; Law and Regulations Database of the Central Bank; Investment Commission of the Ministry of Economic Affairs (MOEAIC); and the government websites: [https://english.ey.gov.tw](https://apac01.safelinks.protection.outlook.com/?url=https%3A%2F%2Fenglish.ey.gov.tw%2F&data=02%7C01%7Chtqp14%40apec.org%7C6cede726c2334dd6f5f808d649ebd9f7%7C68344f4ef33349c9b4fa17313ca38ca0%7C1%7C0%7C636777674689637457&sdata=uWl4ADY3iwAwyCkXrsmorQM0%2FUC5xheJfV93fZj7was%3D&reserved=0) and [https://www.ly.gov.tw/EngPages/List.aspx?nodeid=345](https://apac01.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.ly.gov.tw%2FEngPages%2FList.aspx%3Fnodeid%3D345&data=02%7C01%7Chtqp14%40apec.org%7C6cede726c2334dd6f5f808d649ebd9f7%7C68344f4ef33349c9b4fa17313ca38ca0%7C1%7C0%7C636777674689637457&sdata=4C6ZmS8bXG3B%2FZFqCBs2pSn1XzS4DulrBWKjfopw%2Be4%3D&reserved=0). [↑](#footnote-ref-1)
2. Chinese Taipei’s RTA/FTAs in force are the following ones: Chinese Taipei-El Salvador-Honduras (2008); Chinese Taipei-Guatemala (2006); Chinese Taipei-Nicaragua (2007); Chinese Taipei-Panama (2004); Chinese Taipei-China (2010); Chinese Taipei-New Zealand (2013); Chinese Taipei-Singapore (2014); and Chinese Taipei-Paraguay (2018). [↑](#footnote-ref-2)