

## Chinese Taipei's Bogor Goals Progress Report (as at 13 August 2012)\*

### Highlights of Achievements and Areas for Improvement

- Tariff rate quotas on industrial products have been completely phased out as of January 2011. However, they still remain for some agricultural products.
- Some agricultural products are still subject to high MFN tariff rates.
- Quantitative import restrictions are completely eliminated. Some import prohibitions remain.
- Measures were implemented in the financial sector to create open and efficient capital markets.
- Restrictions on investment for overseas Chinese and foreigners remain in many sectors, although some of them were removed recently. The ceiling of the foreign investment ratio in registered ships was raised to 50 percent.
- Several initiatives to improve customs procedures and facilitate trade were implemented. Efforts to strengthen the development of supply-chains are undergoing.
- Existing framework to review regulations. Deregulation/regulatory reforms are being implemented in many areas to strengthen international competitiveness.

### Summary of Updates

#### Tariffs

Chinese Taipei's average nominal tariff was equal to 5.89 percent at the end of 2011. However, some MFN tariff peaks above 50 percent still remain for some agricultural products (many as non-ad valorem tariffs). In 2011, tariff preferences were granted to imports from China under the Economic Cooperation Framework Agreement (ECFA).

Tariff rate quotas on industrial products were completely phased out as of January 2011. However, tariff rate quotas still remain for some agricultural products such as red beans, liquid milk, peanuts, garlic, pineapple, mangoes and rice, among others.

#### Non-Tariff Measures

Quantitative import restrictions have been eliminated in recent years. However, as of January 2012, 70 items were subject to import prohibitions and 15 items subject to import licensing. In addition, the number of items for which import licenses are required reduced from 18 to 15. These restricted items are those permitted by WTO rules, such as rough diamonds, methyl bromide, and Montreal Protocol restricted chemicals.

#### Services

In financial services, Chinese Taipei continues to promote foreign companies to list in its stock exchange and to strengthen supervision on foreign issuers. In addition, various measures were taken to create open and efficient capital markets, such as amending the regulations to ease

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\* This brief report was prepared with information from Chinese Taipei's submission of 2012 APEC Individual Action Plan (IAP) template and the minutes of the meeting of Chinese Taipei's WTO Trade Policy Review from July 2010.

restriction on fund management and strengthening rules governing offshore private equity funds, among others.

In maritime transport services, the Law of Ships was amended in December 2010 to increase the ceiling of the foreign investment ratio on registered ships to 50 percent.

### **Investment**

Chinese Taipei is adopting new measures to simplify administrative procedures for foreign investors. Restrictions in some sectors remain. However, Chinese Taipei revised the Negative List for Investment by Overseas Chinese and Foreign Nationals, removing restrictions on foreign investment in other machinery manufacturing and repair, air freight forwarders, and other services linked to transportation.

To foster investments, the corporate income tax was reduced from 25 percent to 17 percent for profit-seeking enterprises. Chinese Taipei also loosened restrictions on investment tax credits for private institutions participating in public infrastructure projects. In addition, the Company Act was amended in 2011 to improve the ease of doing business, strengthen corporate governance and enhance shareholders' rights. An Investment Service Center was set up to provide customized, one-stop solutions to investors to address investment obstacles.

### **Standards and Conformance**

Chinese Taipei continues its efforts to align domestic standards with international standards. In 2011, 687 food sanitation standards were established or revised. These standards were related to pesticide/crop combinations, veterinary drugs and food additives. WTO SPS Principles have been adopted for the implementation of food sanitary regulations.

### **Customs Procedures**

In 2009, Chinese Taipei launched five projects to facilitate and secure trade, the Authorized Economic Operator Certification System, the Advance Cargo Declaration System, the Cargo Movement Security System, the Inspection Techniques Modernization System, and the Integration and Enhancement of Single Window Functions. There were 401 AEOs in 2011.

Regarding automation of trade procedures, Chinese Taipei made good progress in various areas. The RFID e-Seals on Transshipment Containers were adopted at major harbors and the use of high tech Mobile X-ray Container Inspection Machines to substitute partial physical examination was implemented. In addition, Chinese Taipei established the Advance Ruling System on Valuation in September 2010. The Facile Trade Net, as a one-stop web-based electronic access to trade-related documentation and data transmission among 16 government agencies, is in operation, as well as a web-based electronic system for application and issuance of documents and certificates.

### **Intellectual Property Rights**

Several actions have been implemented recently to strengthen the protection of intellectual property rights. Many regulations on copyrights and royalties entered into force in 2010. The amendment to Copyright Act and the amendment to the Copyright Intermediary Organization Act were promulgated in February 2010. The amendment to the Trademark Act was promulgated

in June 2011 to conform international trends and better trademark protection. Later, the amendment to the Patent Act was passed in November 2011.

In the external front, the Patent Prosecution Highway Pilot Program was launched jointly with US Patent and Trademark Office, utilizing examination and searching results mutually to process requests for accelerated examination. In November 2011, Chinese Taipei and China commenced mutual acceptance of priority right for patents, trademarks, and plant varieties. Besides, Chinese Taipei partnered with the Internet Association to post notices on warning internet users against the online purchase or sale of counterfeit and pirated goods.

To improve transparency, an online search database of similar trademarks was made available for public free of charge from January 2011.

### **Competition Policy**

The Fair Trade Commission (FTC) assisted government departments in reviewing all laws and regulations under their respective jurisdictions in order to provide an environment for fair market competition and enforce competition policy. The FTC implemented the 2010-2011 Competition Advocacy Program to assess the effectiveness of its enforcement of antitrust laws and competition advocacy. In December 2011, a compliance program was held as part of the advocacy effort to improve cartel awareness.

The latest amendment to Fair Trade Act came into force in November 2011, including a leniency program and raising the maximum fine to 10 percent of the previous fiscal year's sales revenue of a company for any serious cartel violation. The Commercial Port Act was amended to implement separation of the administrative and business elements of navigation and harbor systems, so as to raise the competition and competitiveness of the ports.

### **Government Procurement**

Chinese Taipei submitted its revised offer and participated in the negotiation process to modernize WTO Government Procurement Agreement (GPA). With the entry into force of GPA, the coverage of the agreement for Chinese Taipei will be expanded.

### **Deregulation/Regulatory Review**

Comprehensive deregulation has been conducted as a means to revitalize the economy and strengthen international competitiveness. From May 2009 to January 2012, 736 activities concerning economic and financial deregulations were carried out. Working groups have been created to review regulation and create a business friendly investment environment. A website portal was set up to collect public suggestions on regulation matters.

For example, based on this review process, Chinese Taipei simplified the application procedures for company startups by eliminating the minimum capital requirement and setting up a one-stop online application website. The Fundamental Science and Technology Act was also amended to loosen regulations governing technology transfer. The taxation system underwent reforms and many taxes were reduced.

### **Mobility of Business People**

Chinese Taipei established the Advance Passenger Information (API) system in July 2011 to allow air carriers flying to and from Chinese Taipei to transmit API information to the immigration agency. The Automated Immigration Inspection e-Gate System was launched in September 2011 for citizens, facilitating customs and immigration clearance through the use of facial imaging and fingerprint technology.

Chinese Taipei has introduced three different visas for foreigners, an employment pass card, an academic and commercial travel card, and a permanent residence card. The visa approval process was also simplified to facilitate the issuance of visas, work permits, and residence permits. Passport-holders from 42 economies, including eight APEC economies can enter Chinese Taipei without a visa for a maximum stay of 30 or 90 days.

### **Transparency**

All the laws, regulations and practices of government agencies are available for public access via internet.

### **RTA/FTAs**

Currently, Chinese Taipei has five agreements in force. The most recent one is the China-Chinese Taipei Economic Cooperation Framework Agreement which became fully in force from January 2011. Chinese Taipei is in the process of negotiating an economic partnership agreement with Singapore. A joint feasibility study on a bilateral economic cooperation agreement is currently under way between Chinese Taipei and New Zealand.

### **Supply Chain Connectivity**

In October 2010, Chinese Taipei launched the Action Plan for the Development of the International Logistics Services Industry, to be carried out from 2010 to 2013, aiming at strengthening the development of supply chains. The four main themes of this plan are the raising of customs clearance efficiency, the improvement of infrastructure, the enhancement of logistics services, and the promotion of cross-border development and cooperation.

### **Ease of Doing Business (EoDB)**

Since 2008, Chinese Taipei has referred to the World Bank Doing Business report for guidance in carrying out reforms in the areas included in this World Bank initiative. To date, some completed reforms to improve administrative efficiency include the elimination of the minimum capital requirement for business startup, the scrapping of the uniform certification system for profit-seeking enterprises, the creation of an internet portal for starting a business, and the setting up of a single window procedure for construction permit applications. The Company Act and Securities and Exchange Act were amended to broaden the liability of company directors, to increase information disclosure requirements for related party transactions, and strengthen minority shareholders' rights.