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| **Chinese Taipei’s Bogor Goals Progress Report (as at 30 September 2016)**[[1]](#footnote-1)\* |
|   | **Highlights of Achievements and Areas for Improvement** |

* The average MFN applied tariff rates was 6.4%. The average tariff for agricultural products is more than three times higher than those for non-agricultural products.
* 63% of the tariff lines have tariff rates equivalent to 5% or less.
* Tariff rate quotas are applied to some agricultural products. Some products are subject to import licenses.
* Regulations on some operations by foreign banks have been relaxed.
* Efforts have been made to create a friendly investment environment, but a number of sectors are still not open for foreign investors.
* Continuous effort to align domestic standards with international standards.
* Several initiatives have been implemented to streamline customs procedures and strengthen secure trade.
* Amendments in regulations to strengthen the intellectual property rights system. More international cooperation networks have been established.
* Aspects of the antitrust legislation have been revised to keep up with the evolving landscape of international competition and economic development.
* Regulatory reforms are ongoing to facilitate a friendly regulatory environment for the virtual world.
* Ongoing digitization of the immigration process. Amendments to simplify hiring of foreign workers.

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|   | **Summary of Topics** |

**Tariffs**

As of July 2015, Chinese Taipei reported an average MFN applied tariff rate of 6.4%; 63% of its tariff lines had MFN rates equivalent to 5% or less; and 29% of the total tariff lines were duty-free. The average MFN tariff for agricultural products rose 0.8 percentage points to 14.7% compared to the previous assessment in 2014. This average MFN tariff was higher than those for industrial products (4.2%). In June 2015, the Legislative Yuan passed the Adjustment of Import Tariffs with tariff exemptions on selected products like photographic materials, coconut products, and certain vehicle parts. In December 2015 and May 2016, tariff rates on four and two environmental goods were reduced to 5% respectively following the implementation of the APEC Environmental Goods List.

Tariff rate quotas (TRQ) are applied to some agricultural products, such as red beans, liquid milk, peanuts, garlic, shaddock, rice and rice products, among others.

**Non-Tariff Measures**

As of 2015, 37 products are subject to import licensing. Import prohibitions apply to 87 items. Tax rebates were provided to certain manufacturing firms in the export zones or science-based industrial parks. Tax rebates were also given to raw materials that are used to produce exports.

**Services**

In December 2014, the National Communications Commission (NCC) revised regulations governing compliance of telecommunications radio-frequency devices and telecommunications terminal equipment. The amendments allow importers to apply for compliance approvals using a simplified process without the need of an authorization letter from the brand manufacturer.

The Financial Supervisory Commission (FSC) started to allow qualified foreign banks to issue subordinated international bonds to professional institutional investors since January 2016. The FSC also amended the Regulations Governing Foreign Bank Branches and Representative Offices in June 2015 to ease lending restrictions on branches of foreign banks, which exempts bridge loans for mergers and acquisitions from the exposure limits set for loans granted to a same judicial or natural person, same related party or same affiliated entity. Several provisions of relevant regulations were amended in February 2014 aiming to increase foreign investors’ participation in the bonds and mutual fund markets[[2]](#footnote-2). Furthermore, the FSC lifted relevant requirements to allow domestic banks including subsidiaries of foreign banks, which obtain the FSC’s prior approval, to outsource information systems related to retail business to offshore service providers.

**Investment**

The Executive Yuan Council passed a draft amendment of the Company Act in January 2014 aiming to create a friendlier investment environment. The amendment exempts foreign companies from undergoing a certification process in order to operate in Chinese Taipei.

To enhance transparency and predictability of foreign investment approval, Chinese Taipei has drafted The Regulations for Filing Investment Report or Applying for Investment Approval by Overseas Chinese and Foreign Nationals to clarify the requirement of documents and necessary information. So far, only less than 4% of manufacturing categories and less than 7% of services industries are subject to prohibitions or restrictions on foreign investors.

The Company Act was amended to include a new section on closely held corporations. The amendment broadly eliminated restrictions and increased flexibility on shareholding structures. It also lowered the threshold for foreign capital corporations to benefit when entering into the domestic market.

**Standards and Conformance**

In 2014, Chinese Taipei developed and revised 352 domestic standards, mainly covering consumer products, electrical engineering and basic technologies. There were 14,755 national standards as of 2014. The Food and Drug Administration amended the Standards for Pesticide Residue Limits in Foods in December 2015.

Chinese Taipei continues to align their national standards with international standards. In August 2014, the Executive Yuan passed the Rising Green Energy Industry Program, which seeks to harmonize standards with international organizations for green energy-related products. Chinese Taipei has also actively participated in APEC Sub-committee on Standards and Conformance’s Voluntary Action Plan 2014 – 2018 with 18 out of its 24 target national standards aligned with the international ones.

Currently, seven and six specific trade concerns (STCs) against Chinese Taipei remain unresolved at the WTO Technical Barriers to Trade (TBT) and Sanitary and Phytosanitary (SPS) Committees respectively. In 2015, several economies raised concern on consumer information and labelling on Chinese Taipei’s genetically modified organisms to the WTO TBT Committee. Regarding SPS measures, a specific concern regarding Chinese Taipei’s increasing import restrictions on food products related to radionuclides was raised recently.

**Customs Procedures**

Chinese Taipei continues implementing measures to facilitate and secure trade. Several initiatives were carried out including the Customs Port Trade (CPT) Single Window System, the Advance Cargo Information Project and the Cargo Movement Security Project. The number of Authorized Economic Operators (AEOs) increased from 603 in November 2013 to 638 in December 2015.

**Intellectual Property Rights**

The Patent Act includes broader protection provisions since March 2014. On 1 January 2016, the revised Patent Attorney Act entered into force to expand areas of practice, impose more severe punishments for patent attorney malpractices and simplify administrative procedures.

Chinese Taipei’s patent office has established cooperation framework with its counterparts from Japan and Korea. For example, Chinese Taipei launched the Patent Prosecution Highway (PPH) Program with Korea in July 2015 and extended the PPH Program with Japan for three years in May 2014. In January 2016, a mechanism for electronic exchange of priority documents was set up between patent offices of Chinese Taipei and Korea to simplify international application procedures. In June 2015, the Cooperative Program on Mutual Recognition of Deposit of Biological Materials for the Purpose of Patent Procedure was established between Chinese Taipei and Japan to lessen the patent applicant’s burden of repeated deposits of biological materials.

**Competition Policy**

The Fair Trade Act was revised in 2015 and includes a new pre-merger notification threshold to cover the amounts of shares held by and the sales of a company’s controlling entity, affiliates and any other sister companies under common control. It contains provisions on other aspects such as unfair competition and circumstantial evidence for assumption of cartel. Administration fines for antitrust violations have been differentiated by types of violation and the expiration length of power to impose administrative penalties has been extended. In 2015, an antitrust fund was set up to reward for reporting illegal concerted actions.

**Government Procurement**

The revised Agreement on Government Procurement (GPA) of the WTO entered into force in April 2014. Also, the Legislative Yuan approved the revision of the Government Procurement Act in January 2016 with amendments including newly-added regulations governing the payment and review process on the entity which conducts procurement for construction work.

**Deregulation/Regulatory Review**

Initiated by the National Development Council (NDC), the HeadStart project was approved by the Executive Yuan on August 2014. The project aims to encourage entrepreneurship through deregulation, attracting foreign investments and cluster building. This intends to align Chinese Taipei’s regulatory environment with international standards, for instance, establishing a favorable regulatory environment for startups to raise capital.

Adapting to emerging trends, Chinese Taipei is developing a regulatory reform framework regarding the fundamentals of the digital economy (e.g. IT security, digital skills training and inclusiveness, among others) and its applications (e.g. e-commerce, technology finance and telemedicine, among others), as well as deliberating on other important regulatory issues.

**Dispute Resolution**

Investment and economic partnership agreements contain provisions for settling disputes through bilateral consultation, arbitration or mediation.

**Mobility of Business People**

Chinese Taipei continues to accelerate the digitization of immigration process – main airports launched the Biometric Verification System since March 2015 to collect, store and authenticate data electronically. Citizens of Indonesia; Philippines; Thailand; and Viet Nam can apply online for a Travel Authorization Certificate, which allows holders to stay for up to 30 days, provided that they meet certain criteria. Citizens of Myanmar, Cambodia and Laos are eligible to apply as well since September 2016. Citizens of Thailand and Brunei are eligible for the visa exemption program from 1 August 2016 to 31 July 2017. The eVisa Program, which streamlines the visa application process, has been in operation since January 2016.

In order to attract more foreign professionals, the Cabinet approved the amendment of the Employment Service Act in July 2014, simplifying hiring procedures for foreign workers.

**Transparency**

All of the public companies have already adopted International Financial Reporting Standards (IFRS) to prepare their financial reports. Since 2016, non-public companies have to adopt IFPRs.

**RTA/FTAs**

Chinese Taipei’s economic partnership agreement with Singapore entered into force in April 2014. Currently Chinese Taipei has seven Free Trade Agreements (FTA) or Economic Partnership Agreements (EPA) in force.[[3]](#footnote-3)

1. \* This brief report was prepared with information from Chinese Taipei’s submission of the 2016 APEC Individual Action Plan (IAP) template; the WTO 2015 World Tariff Profiles; the 2015 WTO Trade Policy Review - Report by the Secretariat – Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu; the WTO TBT and SPS system; the UNCTAD Investment Policy Hub; the Executive Yuan and Legislative Yuan websites [↑](#footnote-ref-1)
2. For instance, offshore foreign investors are exempted from the requirements for registering investment in foreign currency denominated bonds or mutual funds. [↑](#footnote-ref-2)
3. 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) and Chinese Taipei and Singapore (2014). [↑](#footnote-ref-3)