

Promoting Economic Liberalization in Taiwan (2018)

National Development Council, Republic of China (Taiwan)

TABLE OF CONTENTS

Ongoing efforts to promote economic liberalization in Taiwan.....	1
Property Rights	11
Judicial Effectiveness	16
Government Integrity	22
Tax Burden	26
Business Freedom.....	31
Labor Freedom.....	38
Trade Freedom.....	50
Investment Freedom	65
Financial Freedom	66

Ongoing efforts to promote economic liberalization in Taiwan

Taiwan ratings for the extent of economic freedom

In the *2018 Index of Economic Freedom*, published by the Heritage Foundation and the *Wall Street Journal* on 2 February 2018, Taiwan ranked 13th in terms of economic freedom. This figure has improved by a total of 22 places over the last 10 years.

Changes to Taiwan's recent rankings and scores as rated by the *Index of Economic Freedom*

Year published	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	Changes to scoring during the last 10 years
Ranking in economic freedom	13	11	14	14	17	20	18	25	27	35	+22
Average score	76.6	76.5	74.7	75.1	73.9	72.7	71.9	70.8	70.4	69.5	+7.1
1 Property Rights	84.3	86.5	70	70	70	70	70	70	70	70	+14.3
2 Judicial Effectiveness	69.2	67.7	-	-	-	-	-	-	-	-	+1.5
3 Government Integrity	70.9	70.5	61	61	59.7	61	58	56	57	57	+13.9
4 Tax Burden	76.1	75.3	76.1	80.4	80.3	80.5	80.4	78.3	75.9	76.2	-0.1
5 Government Spending	90.4	89.5	88.7	87.1	84.7	84.9	92.3	89.7	90.5	89.4	+1
6 Fiscal Health	90.8	83.7	-	-	-	-	-	-	-	-	+7.1
7 Business Freedom	93.2	93.4	93.2	92.4	93.9	94.3	88.5	84.7	83	69.5	+23.7
8 Labor Freedom	54.9	55	53.8	55.2	53.1	53.3	46.6	46.1	47.7	45.7	+9.2
9 Monetary Freedom	83.3	85.2	83.2	83.3	81.7	82.9	83.1	82	79.3	82.1	+1.2
10 Trade Freedom	86.2	86.2	86.4	86.4	85.8	85	85	86.2	85.8	85.2	+1
11 Investment Freedom	60	65	75	75	70	65	65	65	65	70	-10
12 Financial Freedom	60	60	60	60	60	50	50	50	50	50	+10

In general, Taiwan has shown noteworthy results in its economic liberalization efforts during the past 10 years, with the main thrust including simplifying administrative operating procedures and relaxing economic restrictions. Concrete measures include eliminating minimum capital requirement for start-ups, terminating uniform certification systems for profit-seeking enterprises, establishing one-counter counter for warehouse building permits, permitting savings and settlements in Renminbi, loosening restraints for foreign professionals to work in Taiwan, reducing non-tariff trade barriers, applying effective measure for stabilizing commodity prices, and introducing closely held corporations and limited partnership systems.

Results for 2018

Between July 2017 and the end of June 2018, Taiwan carried out amendments to laws and regulations in pursuit of economic liberalization and the protection of human rights, and signed various trade agreements and memoranda of cooperation. The highlights are as follows:

◆ Property rights

1. Protecting intellectual property rights

On December 1, 2017, Taiwan signed an MOU with the United Kingdom on the deposit of biological materials for the purpose of patent procedure. On January 12, 2018, an MOU on bilateral IPR cooperation was signed between the TIPO and the European Union (Intellectual Property Office) and, on January 31, a Patent Prosecution Highway MOU was signed with Canada. Such international exchange has created a more complete intellectual property environment for Taiwanese enterprises.

2. Building robust land expropriation procedures and citizen participation mechanisms

In 2017, academics and experts were invited to attend four meetings to discuss amendment of the Land Expropriation Act. On October 20, 2017, members of The Presidential Office Human Rights Consultative Committee and civic groups were invited to discuss the future direction of land expropriation practice. The objective was, through amendment of the Act, to strengthen due process of law, expand public participation and the execution of resettlement plans, as part of broader guarantees for property rights and freedom of residence.

◆ **Judicial effectiveness**

1. Lawyer Electronic Service System Initiates Online Petition and Document Review Functions

As part of its promotion of the use of digital technology by courts and effort to reduce the volume of paper documents reviewed, the Judicial Yuan made it easier and more convenient for interested parties in civil, criminal and administrative litigation cases to obtain electronic documents by amending the “Fee Collection Standards for the Copying of Electronic Documents in Civil and Administrative Litigation by Courts” and “Fee Collection Standards for the Photocopying, Photographing, and Copying Litigation Documents and Electronic Documents in Criminal Cases Involving Minors by Courts” on August 11, 2015 and October 5, 2017, respectively.

2. Promotion of an Alternative Dispute Resolution mechanism

To allow people to check related information in a timely way, the Judicial Yuan spent almost one year collecting information on administrative type and private type ADR organizations in Taiwan and then launched the ADR Organization Enquiry Platform on December 15, 2017. People can now

search for an ADR organization that meets the needs of their respective dispute according to “dispute type”, “location of organization” or by keying in an organization key word.

◆ **Government integrity**

Draft Partial Amendment of the “Criminal Code”

In moving towards a consolidation of the “Anti-Corruption Act” and offenses relating to malfeasance in office in the “Criminal Code,” the Ministry of Justice has followed the resolutions of the National Conference on Judicial Reform. To that end, the Ministry has focused on “illegal gifts” and “substantial influence,” inviting academics to discuss the Agency Against Corruption’s draft revisions of articles 121, 122, 122-1, 134-1, 255-1 of the “Criminal Code” relating to the crimes of giving and accepting bribes (including illegal influence peddling and accepting of bribes), trading in influence, accepting gifts, and commercial bribery. The ministry will continue to promote related legislation (amendment) to ensure government integrity.

◆ **Tax burden**

1. Amendments to the Income Tax Act

In order to establish a competitive fair and reasonable income tax system that is in accordance with international trends, the Ministry of Finance referenced trends in international tax system reforms and considered a wide array of opinions as part of a comprehensive assessment of the income tax system, with particular focus on fair taxation, economic efficiency, tax administration simplification and fiscal revenue. On that basis, the Ministry drafted an income tax system optimization program and drafted a partial revision of the “Income Tax Act;” after promulgation by

the President on February 7, 2018, the amended Income Tax Act will be implemented in 2018, helping to create a tax environment that “prioritizes investment in Taiwan” as well as “benefiting the recruitment and retention of talent.”

2. Strengthening international cooperation on tax-related matters

Taipei Economic and Cultural Office, Prague and the Czech Economic and Cultural Office signed the Agreement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income in Prague on December 12, 2017. The Regulations Governing the Exemption of Business Tax and Income Tax in Reciprocity under the Arrangement between Taiwan and Macao for the Avoidance of Double Taxation on Air Transport Enterprises signed between Taiwan and Macao became applicable on January 1, 2018.

◆ Labor freedom

1. Loosening employment restrictions on foreign workers

The Qualifications and Criteria Standards for foreigners undertaking the jobs specified under Article 46.1.1 to 46.1.6 of the Employment Service Act was amended (2017.7.26), newly adding a regulation allowing the accompanying foreign spouses of foreign professionals to engage in professional or technical work on a part-time basis, and other regulations. The Qualifications and Criteria Standards for foreigners undertaking the jobs specified under Article 46.1.1 to 46.1.6 of the Employment Service Act (2017.7.26) were amended, revising the scope of calculation for the total number of foreign employees of manufacturing and slaughtering industry employers. The Regulations on the Permission and Administration of the Employment of Foreign Workers were amended

(2018.3.21); overseas compatriot and foreign students who receive the permission of their school to work will be issued a work permit by the Ministry of Labor, and will no longer be required to submit a copy of their Student ID Card, full-year results transcript and Financial Statement. The Regulations on the Work Permit and Administration of the Foreign Professionals Engaging in Arts and Performing Arts were drawn up; foreign professional who meet the qualification requirements of these Regulations do not have to apply for a work permit through their employer and can directly apply to the Ministry of Labor for a work permit to engage in arts and performing arts in Taiwan. The Directions Governing the Acceptance of Applications by the Ministry of Labor under Article 17 of the Act for the Recruitment and Employment of Foreign Professionals were drawn up (2018.2.8); the adult children of foreign professionals who have obtained an Alien Permanent Resident Certificate can apply to the Ministry of Labor for a work permit if the National Immigration Agency determines they meet the requirements of the regulations. The Qualifications and Criteria Standards of the Employment of Foreign Professionals Engaging in Professional Knowledge or Skills for Short-term Supplementary Learning Centers were drawn up (2018.3.15); employers employing foreign professionals to engage in teaching work requiring professional knowledge or skills can apply to the Ministry of Labor for a permit.

2. Amendment of the Labor Standards Act

Although this amendment maintains the principle of a five-day work week, it also focuses on the principles of safety and flexibility, pragmatically giving employers and workers a reasonable degree of flexibility. With regard to a small number of exceptive provisions, workers' rights and

interests are guaranteed through multiple measures such as the strengthened advance government checking mechanism, internal enterprise autonomous negotiating mechanism and the implementation of administrative supervision.

3. Strengthening international cooperation in manpower education and training

On October 10, 2017, the Workforce Development Agency under the Ministry of Labor and TAFE Directors Australia (TDA) signed a “Memorandum of Understanding on Vocational Education and Training Cooperation” (MOU),” to promote bilateral exchange between Taiwan and Australia in the field of vocational training.

◆ Trade freedom

1. Liberalizing non-tariff barriers to trade

From September 7, 2017, when domestic businesses import small value samples, if the entire declaration after tax price is under NT\$3000, the simplified declaration can be used to handle customs clearance. On July 7, 2017, implementation of paperless T6 air-sea combined transport re-export operations was announced. For T6 re-export goods that are packed in a container, are not under escort, do not require inspection and the destination of which is Taoyuan International Airport or Kaohsiung International Airport, shippers do not need to print out a T6 permit. The Regulations Governing the Implementation of Advance Ruling on the Country of Origin of Imported Good were announced on July 17, 2017, allowing the taxpayer or their agent to apply to Customs for advance ruling on the place of origin of imported goods. Partial amendment of the Regulations Governing the Management of Import/Export Clearance for

Transportation Means was announced on August 10, 2017, changing the existing time limit for transmission of export Vessel Loading List from “before ship arrival” to “before sailing.” The amended Regulations Governing Issuance of Certificates of Origin and Certificates of Processing were announced on April 3, 2018, loosening restriction on applying for a Certificate of Origin.

2. Signing of trade agreements and memoranda of cooperation

On October 11, 2017, the Customs Administration, Ministry of Finance signed the Authorized Economic Operator Mutual Recognition Agreement with India.

◆ Investment freedom

1. Loosening regulations related to investment by foreigners

The amended Negative List for Investment by Overseas Chinese and Foreign Nationals was announced on February 8, 2018, allowing foreigners to invest in ship rental and leasing, wheat cultivation, buckwheat cultivation, job’s tears cultivation, organic vegetable cultivation and facility protected cultivation of vegetables (limited to plant factories) in Taiwan.

2. Singing of international investment cooperation agreement

In December, 2017, Taiwan signed an updated bilateral investment agreement with the Philippines, strengthening bilateral investment protection and promoting investment cooperation. This agreement came into effect on March 1, 2018.

◆ Financial freedom

1. Liberalizing restrictions on financial sector

Amendments of the following laws and regulations have been promulgated: Regulations Governing Securities Investment of Credit Cooperatives (2017.7.28); Rules Governing the Administration of Electronic Payment Business (2017.8.18); Rules Governing the Business of Electronic Stored Value Card Issuers (2017.8.30); Regulations Governing the Trading of Financial Derivatives by Bills Finance Companies (2017.9.20); Regulations Governing the Scope of Business, Restrictions on Transfer of Beneficiary Rights, Risk Disclosure, Marketing, and Conclusion of Contract by Trust Enterprises (2017.9.30); Regulations Governing Domestic Branches of Financial Institutions (2017.10.12); Clauses of the Real Estate Securitization Act 2017.12.6); Regulations Governing the Standards for Information System and Security Management of Electronic Payment Institutions (2017.12.28); The Banking Act (2018.1.31); The Act Governing Electronic Payment Institutions (2018.1.31); Act Governing Issuance of Electronic Stored Value Cards (2018.1.31); Trust Enterprise Act (2018.1.31); Regulations Governing Foreign Currency Bond Brokerage, Proprietary Trading, and Investment by Bills Finance Companies (2018.2.13); Regulations Governing Foreign Bank Branches And Representative Offices (2018.3.31).

2. Strengthening international financial cooperation

The Financial Supervisory Commission (FSC) signed a banking supervision cooperation document with the Reserve Bank of India (2017.9.5), a financial supervision cooperation MOU with the Polish Financial Supervision Authority (KNF) (2017.10.10), an insurance supervision cooperation MOU with the Philippines Insurance Commission (2017.12.10), and a FinTech cooperation agreement with Poland's KNF (2018.3.6). The Central Deposit Insurance Corporation signed and renewed a deposit insurance cooperation MOU with Zimbabwe and

Thailand (2018.2&2018.8). The Joint Credit Information Center and five other Asian credit reporting institutions signed the Asia Credit Reporting Network (ACRN) MOU (2017.12.13). The Taipei Foundation of Finance signed a cooperation agreement with the Association of Certified Money Laundering Specialists (ACMLS)(2018.2.9). The Taiwan Stock Exchange signed cooperation MOUs with US (Nasdaq), and with Japanese (Japan Exchange Group, Inc.) and South Korean (KRX) stock exchanges (2017.9&2018.3). The Taiwan Futures Exchange signed a cooperation MOU with the Belarusian Universal Commodity Exchange (BUCE) (2018.1).

Property Rights

Optimizing Land Expropriation Procedures and Public Participation Mechanisms

Based on the need of the government to provide public goods (such as infrastructure, public utility building or public facility building as part of urban planning programs), on occasion this involves obtaining privately owned land. However, private land should only be secured by means of expropriation when all other methods for obtaining use of the land or agreement on sales price have failed. Only then should the land use applicant make an application for land expropriation to be approved by the governing authority. Because the ROC Constitution protects the property rights of citizens, in order to ensure the sacrifice of private interest is adequately compensated, in 2012 the Ministry of the Interior made major revisions to laws governing land expropriation. Other than stipulating that land obtained through land expropriation must be obtained at market price, it also added various public interest and necessity review elements. These changes were intended to ensure a stricter approach to land expropriation and avoid its excessive use. Over the past year the Ministry has further proposed the following concrete measures:

Promotion of transparent deliberation and public participation mechanism

In addition to making public information from land expropriation deliberative group meetings, allowing members of the public to apply to attend and express their opinions, on September 14, 2017, the “Guidelines for Land Expropriation Deliberation Group Meetings and Meeting Management” were drafted. These detail the right of the public to attend meetings and the procedural order they should follow. They further note, where necessary, the need to invite

representatives from related departments to attend and explain their position and even send members of the Land Expropriation Deliberation Group to talk to related government agencies and invite self-help groups or interested parties of the case to conduct on-site inspection to clarify technical and professional evidences or issues.

Establishing a public interest and necessity evaluation index

Land expropriation regulations already clearly stipulate that when the land use applicant establishes a company to appropriate the land, a public interest and necessity evaluation must be conducted of the business initiation, focusing on social, economic, cultural, ecological and sustainable development elements, together with its impact on 18 evaluation items, including size of the population, age structure etc. In 2014, a “Public Interest and Necessity Evaluation Analysis Table” was drafted and, in 2017, National Pingtung University was commissioned to conduct the “Establishment of a Land Expropriation Public Interest and Necessity Review index” study; application of the results of the study to the existing “Public Benefit and Necessity Evaluation Analysis Table” is planned, providing reference for land use applicants in determining the public interest and necessity of specific cases and thereby assist the discussions of the Land Expropriation Deliberation Group.

Revising expropriation laws and improving the land expropriation system

In 2017, academics and experts were invited to attend four meetings to discuss amendment of the Land Expropriation Act. On October 20, 2017, members of The Presidential Office Human Rights Consultative Committee and civic groups were invited to discuss the future direction of land expropriation practice. The objective was, through amendment of the Act, to strengthen due

process of law, expand public participation and the execution of resettlement plans, as part of broader guarantees for property rights and freedom of residence.

Ensuring correct land expropriation concepts in government agencies, implement procedural justice

In January 2018, three seminars were held on land expropriation related laws in order to enhance understanding of the land expropriation system among land use applicants while ensuring the public interest and necessity of land expropriation, due process of administrative procedure and proper use of the expropriated land according to the approved plan and the established time limit. In attendance were land use applicant representatives from central government, special municipalities and county (city) governments, who decided to step up promotional work on key items relating to land expropriation work and practical operations, to guarantee the rights of the public.

Implementation of a land expropriation case verification mechanism and information disclosure

A land expropriation management system platform has been established to ensure land use applicants use the expropriated land according to the approved plan and the established time limit. This asks all land use applicants to disclose on the system their land expropriation plans together with a map of the land, and provide regular updates on the project. On August 15, 2016, this system was opened to the public and, by the end of April 2018, had been visited more than 18,200 times. On-site inspections have also been used as part of regular follow ups on the execution of approved expropriation cases. In July 2017, a sampling of land expropriation cases over the previous year was completed. This was intended to not only supervise the execution of land expropriation plans but to also enhance the transparency of land expropriation case information disclosure. In addition, it

enables the public to more effectively supervise government actions and to protect their legal rights.

Protecting Intellectual Property Rights

Results of international cooperation agreements

In light of closer exchanges and cooperation between international intellectual property rights institutions under globalization, to strengthen intellectual property rights exchanges and bring domestic practice in line with the international norms, the Ministry of Economic Affairs' Intellectual Property Office (TIPO), has signed Patent Prosecution Highway (PPH) agreements with the United States, Japan, South Korea, Spain and Poland. It has also signed a Priority Document Exchange (PDX) with Japan and South Korea, with excellent results to date.

On December 1, 2017, Taiwan signed an MOU with the United Kingdom on the deposit of biological materials for the purpose of patent procedure. On January 12, 2018, an MOU on bilateral IPR cooperation was signed between the TIPO and the European Union (Intellectual Property Office) and, on January 31, a Patent Prosecution Highway MOU was signed with Canada. Such international exchange has created a more complete intellectual property environment for Taiwanese enterprises

With the rapid development of Internet technology, online copyright infringement has become a major form of rights infringement. Because the main source of online copyright infringement in Taiwan comes from outside the country, it is beyond the judicial jurisdiction of local courts. In response, the Ministry of Economic Affairs' Intellectual Property Office has actively coordinated with right holders groups and advertising agencies, signing memorandums of cooperation in August and November 2017. As a result of these,

right holders groups provided a list of the main offending websites; advertising firms helped by not placing any advertisements on these sites, to cut off their cash flow and thereby curb their infringement activities.

Indigenous Peoples' Land Rights Restoration Policy and Results

In order to guarantee the land rights of indigenous peoples, they continue to be counseled to register right of cultivation, forest agricultural right or building land superficies, in accordance with regulations in Article 37 of the “Slope land Utilization and Conservation Act” and “Regulations on Development and Management of the Lands Reserved for Indigenous People.” After registration, those who continue to manage or use the land for five years acquire the land ownership rights free of charge.

By April 30, 2018, there were 435,257 parcels of indigenous reserved land, covering an area of 265,162 hectares, with 25,250 hectares of land over which rights had been created other than ownership and 117,014 hectares of indigenous reserved land already privately owned, accounting for 53.65% of reserved land. From July 1, 2017 to April 30, 2018, the area of land over which rights other than ownership had been created was 1,266.06 hectares, and the transfer of ownership had been registered for 1,418.17 hectares.

Judicial Effectiveness

Promoting Wider Use of Electronic Judicial Processes

Over the past two years the Judicial Yuan has proactively promoted the wider use of electronic judicial processes and establishing of technological courts in an effort to use Taiwan's mature information technology to assist courts with trials and enhance trial effectiveness. This will also improve judicial transparency and public faith in justice, which, in turn, will improve overall national competitiveness and enable Taiwan to gradually move towards becoming an advanced nation.

Use of an electronic litigation system facilitates online prosecution of civil cases

The Judicial Yuan's electronic litigation filing system "Judicial Yuan Online Civil Litigation Documents (including online indictments) Service Platform" (hereafter referred to as the operational platform), includes the Intellectual Property-related Administrative Suits and Tax-related Administrative Electronic Litigation Operational Platforms that officially went online on July 20 and September 30, 2015, respectively. As a result, Taiwan officially entered the ranks of countries with high tech courts that permit the use of an electronic litigation filing system. Moreover, on August 8, 2016, Taiwan also officially started using the online prosecution function for "simple civil cases" and "first and second instance ordinary civil cases." This operational platform allows the litigation agent to file electronic indictment documents with the court.

After the bill of prosecution is handed out, the court can utilize "providing the court with supplementary documentation" and "exchange of electronic document" functions if the defendant is willing to use the system for the purpose

of litigation procedure. Both parties are required to consult all documents provided over the operational platform, including the bill of prosecution.

Whenever new documents are sent to the operational platform, the two parties are informed by e-mail, enabling interested parties to keep up to date with the latest developments in the case. By April 2018, 1,274 people had submitted documents to the court in civil cases or exchanged documents through the platform.

Expanding the service scope of electronic litigation filing to litigants

The Judicial Yuan's operational platform was originally used only by litigation agents who were qualified lawyers. Thereafter, on August 8, 2016, the "Judicial Yuan Electronic Service Authentication System" was initiated, enabling ordinary citizens who are not qualified lawyers to apply for an account number using a MOICA IC Card issued by the Ministry of the Interior, and then provide documents using the Judicial Yuan's operational platform. Moreover, in order to advance the functions of the civil litigation cases online prosecution system, it was also made possible for legal representatives in cases involving minors and juristic persons to file civil lawsuits online on behalf of their clients. These new functions are in place and currently under testing before going live.

Electronic litigation filing system allows online payment

The court electronic litigation filing system currently offers three payment methods, namely IC ATM Card, ID+ACCOUNT demand deposit account and Virtual Account payment; the first two of these methods involve direct payment online. In 2018, it is also planned to optimize the system by adding an online credit card payment function.

Lawyer Electronic Service System Initiates Online Petition and Document Review Functions

As part of its promotion of the use of digital technology by courts and effort to reduce the volume of paper documents reviewed, the Judicial Yuan made it easier and more convenient for interested parties in civil, criminal and administrative litigation cases to obtain electronic documents by amending the “Fee Collection Standards for the Copying of Electronic Documents in Civil and Administrative Litigation by Courts” and “Fee Collection Standards for the Photocopying, photographing, and copying Litigation Documents and Electronic Documents in Criminal Cases Involving Minors by Courts” on August 11, 2015 and October 5, 2017, respectively.

In accordance with the aforementioned fee collection standards, interested parties in civil, criminal and administrative litigation cases may submit a request to the trial court to copy electronic documents and directly use such mobile electronic storage medium as a USB drive to submit offline or request the court to send a CD/DVD etc. containing electronic documents pertaining to the case to a designated address.

The “Online Document Review and Electronic Document Copy Application System for Lawyers” officially started providing nationwide court of first and second instance online application services on June 14, 2016, as part of the Judicial Yuan’s “Lawyer Single Log-in System” service platform. The court of third instance service has been provided from October 30, 2017. Currently, lawyers no longer need to attend court in person but can rather use the new functions of the “Lawyer Single Log-in System”: Through digitization, the “Online Document Review and Electronic Document Copy Application System for Lawyers” can be used to file petitions, while also downloading payment bills to be paid over the counter or at a convenience store. Once the court has confirmed the payment, a disk containing the electronic documents will be delivered to the designated address within a few days. In the past, this process

took a great deal of time, whereas the new approach eliminates the need for travel as well as the effort needed to photocopy or scan paper documents for review.

Continuing Research and Planning the Establishment of a Commercial Court

In order to ensure commercial disputes are tried in a professional, fast, consistent and predictable manner, the Judicial Yuan is planning a commercial trial mechanism suitable to the prevailing situation in Taiwan. In addition to establishing the “Commercial Court Taskforce” (hereafter referred to as the Taskforce), research is also being conducted into the establishment of a commercial court and related issues, with personnel dispatched to examine the establishment of commercial professional courts and related systems in Europe, the US and Japan. In addition, a consultative meeting was held where division-chief judges, judges and academics were invited to discuss trends in commercial trial proceedings in Taiwan. At the sixth meeting of the Taskforce on June 22, 2017, a tentative conclusion was reached for a combined commercial court and intellectual property court at the level of the high court, with nine judges and authority over major commercial civil cases, requiring the drafting of a “Commercial Event Trial Act” and revision of the existing “Intellectual Property Court Organization Act.”

On September 13, 2017 and November 21, 2017, the Judicial Yuan convened consultative meetings to solicit opinions on the types of case, scope, and supporting measures related to court procedures and trial systems of commercial courts. At these meetings, academic experts on “Commercial Law” and experts from the world of business were invited to give their opinions. On December 20, 2017, a third consultative meeting was held with experts in commercial litigation practice in attendance and the Ministry of Economic Affairs

and the Financial Supervisory Commission also sending representatives to offer their expert opinions.

On January 10, 2018 the 7th meeting of the Commercial Court Establishment Promotion Group decided, (1) The Commercial Court will accept civil and civil commercial non-litigation cases but not criminal cases (including ancillary civil suits with criminal proceedings) nor administration litigation cases. (2) Jurisdiction incident scope delineation may be deliberated on the basis of the amount or value of the object of litigation, incident type, regulation type, case nature and other judgment standards, concurrently or separately and generalized provisions shall be added with reference to Subparagraph 4 of Article 3 of the Intellectual Property Court Organization Act. (3) Complementary measures that should be adopted include: expert consultation, compulsory mediation, expert witness, mandatory legal representation (together with lawyer qualification recognition system), qualifications for judicial appointment and method of selecting judges. In February 2018 a “Commercial Case Trial Method Draft Consulting Task Force” was established to draw up the draft Commercial Case Trial Act for the establishment of a Commercial Court for major commercial civil cases. The preliminary draft is expected to be completed in May 2018, and further discussion on the modifications will be followed.

Promotion of an Alternative Dispute Resolution mechanism

With regard to the handling method for private rights disputes, as well as filing a lawsuit with a court or applying for mediation, an Alternative Dispute Resolution organization can be requested to solve the dispute by mediation, conciliation or arbitration. This kind of non-litigation dispute resolution method is called Alternative Dispute Resolution (ADR). To allow people to check related information in a timely way, the Judicial Yuan spent almost one year collecting

information on administrative type and private type ADR organizations in Taiwan and then launched the ADR Organization Enquiry Platform on December 15, 2017. People can now search for an ADR organization that meets the needs of their respective dispute according to “dispute type”, “location of organization” or by keying in an organization key word. By scanning the QR Code (as shown below) or inputting the website (<http://www.judicial.gov.tw/adr/adr.html>), the exclusive ADR page can easily be found and entered, accessing ADR organization information, thus meeting their needs for diverse approaches for dispute resolution.



Government Integrity

Revisions of Laws on Government Integrity Reform

Draft “Whistleblower Protection Act”

On October 24, 2017, the Agency Against Corruption under the Ministry of Justice sent a draft “Whistleblower Protection Act” to the Executive Yuan for review. On October 30, 2017, the Executive Yuan sent a letter to the Judicial Yuan, Examination Yuan, Control Yuan and related government departments soliciting their opinions on the draft act, which were then collected together. As to the dispersed nature of whistleblower protection regulations in different laws pertaining to the private sector, in order to assess the feasibility of and methods for consolidating public and private sector legislation, on December 28, 2017 and January 12, 2018, the Agency Against Corruption held two “Whistleblower Protection Law Seminars” at which academics and experts discussed related issues and drew up an optimal plan. In addition, on December 11, 2017, February 9, 2018, March 26, 2018 and April 16, 2018, Whistleblower Protection Act Promotion roundtable meetings were held to discuss points of contention and methods of resolution in consolidating public and private sector laws. In order to consider examples of such legislation adopted overseas as a legislative policy consideration, the Agency Against Corruption decided to adopt the consolidated legislative model seen in the United Kingdom and Japan, commissioning academics to research the Whistleblower Protection Acts and efficacy of execution in those countries and compare those to the legal system in Taiwan.

Draft Partial Amendment of the “Criminal Code”

In moving towards a consolidation of the “Anti-Corruption Act” and offenses relating to malfeasance in office in the “Criminal Code,” the Ministry of Justice

has followed the resolutions of the National Conference on Judicial Reform. To that end, the Ministry has focused on “illegal gifts” and “substantial influence,” inviting academics to discuss the Agency Against Corruption’s draft revisions of articles 121, 122, 122-1, 134-1, 255-1 of the “Criminal Code” relating to the crimes of giving and accepting bribes (including illegal influence peddling and accepting of bribes), trading in influence, accepting gifts, and commercial bribery. The ministry will continue to promote related legislation (amendments) to ensure government integrity.

Implementation of the “Mutual Legal Assistance in Criminal Matters Act”

In Taiwan, the “Law in Supporting Foreign Courts in Consigned Cases” was drafted a long time ago and is relatively simple in scope meaning it no longer meets the current situation in international mutual judicial assistance in criminal matters. Add to that the special position of Taiwan and the nation has currently only signed mutual assistance in criminal justice agreements with the United States and a handful of other countries. However, these agreements are still required to work in concert with domestic law if they are to be smoothly executed. In situations where there is no treaty or agreement, it is even more important that we have comprehensive domestic laws so that when foreign countries seek mutual assistance in criminal justice matters there is a clear and concrete foundation on which to cooperate. It is on this basis that we referred to UNCAC and other international treaties as well as examples of legislation in foreign countries when drafting the “Mutual Legal Assistance in Criminal Matters Act” as the basic source of law for Taiwan to execute related matters and to facilitate requests and action relating to mutual judicial assistance in criminal matters between Taiwan and foreign countries. The law passed its third reading at the legislature on April 10, 2018 and its implementation was announced by the president on May 2, 2018.

Anti-Corruption Measures

Promoting Government Agency Clean Government Assessment

Since 2016, the Agency Against Corruption has been commissioned to research and establish tools to supervise, evaluate and analyze clean government and governance in central and local government agencies as part of the broader “promotion of government agency clean government assessment.” Focal areas of this evaluation include “agency involvement in clean government and support of senior officials,” “agency transparency,” “agency accountability and internal control mechanisms” and “agency clean government evaluation and response.” This approach encourages agencies to identify and assess clean government risks through a process of internal self-examination and the involvement of external academics. It is designed to improve agency systems and operational efficiency, thereby preventing the occurrence of corruption.

Establishing a “Government Integrity Risk Events and Personnel Database”

The “Government Integrity Risk Events and Personnel Database” is part of the Agency Against Corruption’s efforts to encourage all agencies to establish government integrity risk control and early warning systems. This involves annual examination of government integrity risk assessment data and writing an evaluation report. In the event this reveals new cases or evidence the evaluation can be changed at any time and a report sent to the head of the agency. In addition, risk personnel can employ the adjustment of work duties, senior official guidance and strengthening work assessments as ways of reducing risk early on. Moreover, project audits can also be used to better control the details of risk and formulate proposals for improvements, with the Integrity Task Force following up and monitoring proposals.

Promotion of “Detailed Government Integrity Work”

In order to effectively prevent integrity risk in government agencies, the Agency Against Corruption promotes “Detailed Government Integrity Work.” This involves government employee ethics units and business units jointly examining regulatory measures. For example, the Agency Against Corruption, six municipalities and four county/city governments organized detailed police administration integrity work, focused on police-related corruption. This resulted in the compiling of the “Integrity Risk Guide Case Study Report (Police Administration type). The Agency Against Corruption also worked with government agency heads from Taichung City, Changhua County, Nantou County and Miaoli County to organize a “Clean Government and Transparency Program in Taichung, Changhua, Nantou and Miaoli,” jointly drafting a guide for integrity operations in the areas of engineering, police administration, fire service, construction management, funeral services, river sediment management, land administration and environment protection operations. Moreover, concrete results have already been seen in several of these areas.

Tax Burden

Revision of income tax related laws and important measures in the reform of the income tax system

In order to establish a competitive fair and reasonable income tax system that is in accordance with international trends, the Ministry of Finance referenced trends in international tax system reforms and considered a wide array of opinions as part of a comprehensive assessment of the income tax system, with particular focus on fair taxation, economic efficiency, tax administration simplification and fiscal revenue. On that basis, the Ministry drafted an income tax system optimization program and drafted a partial revision of the “Income Tax Act;” after promulgation by the President on February 7, 2018, the amended Income Tax Act will be implemented in 2018, helping to create a tax environment that “prioritizes investment in Taiwan” as well as “benefiting the recruitment and retention of talent.” The key points of the revision are as follows :

Reducing the tax burden on salary earners, low-middle income earners and families with children

1. The Individual Income Tax (Individual Tax below) standard deduction is raised from NT\$90,000 to NT\$120,000 (double for those who are married); salary income and the disability special deduction is increased from N\$128,000 to NT\$200,000, an increase of 33-56% that will benefit 5,420,000 households.
2. The Individual Tax special deduction for preschool children is increased from NT\$25,000 per child to NT\$120,000 per child, an increase of 380%. This measure reduces the financial burden of raising children and

encourages people to have more children in response to the declining birth rate in Taiwan.

Benefiting recruitment and retention of talent, improving international competitiveness

The highest taxable rate for Individual Tax is reduced from 45% to 40%. After this adjustment, the highest rate of Individual Tax in Taiwan will fall below the average for the highest rate of individual income tax in OECD countries (42.47%). This will make it easier for enterprises to recruit and retain talent, while also encouraging investment and improving Taiwan's international competitiveness.

Simplifying the tax system and tax administration in line with international trends

In addition to abolishing part of the integrated income tax system's imputation system, the revision also eliminates imputation credit accounts for shareholders of profit making enterprises, including related records, calculations and penalties.; this greatly reduces the compliance cost for taxpayers, reducing tax disputes and simplifying the tax system and tax administration in line with international trends.

Enhancing investment willingness, creating employment opportunities

1. Drafting a new taxation system for dividend income of Individual Residents (domestic shareholders)

Tax on individual dividend income can be calculated in one of the two ways listed below, choosing the most appropriate. This reasonably reduces the tax burden on dividend income and thereby increases willingness to invest in Taiwan.

- Dividend income is to be taxed as part of individual income tax with an 8.5 % tax credit on dividend income. A maximum deduction of NT\$80,000 is permitted for every declarer, though this deduction (or refund) applies only to individuals who make less than NT\$940,000 in dividend income a year. (method 1)
 - The tax on dividend income is calculated separately at a taxable rate of 28%. It is then included as part of a consolidated declaration including the calculation of other categories of tax payable. (method 2)
2. Reasonable adjustment of Profit-seeking Enterprise Income Tax
- Profit-seeking Enterprise Income Tax is increased from 17% to 20%. However, profit-seeking enterprises with less than NT\$500,000 in taxable income will be given a buffer period, with the tax rate rising to 18 % in 2018, 19 % in 2019 and 20 % in 2020. This reduces the tax burden on less profitable enterprises and also provides an adjustment period.
 - The Retained Earnings of Profit-seeking Enterprises Surtax is cut from 10% to 5%. This reduces of the income tax burden for enterprises which require accumulation of retained earnings to provide self-owned stable funding, and facilitates the accumulation of future investment momentum needed to transform and upgrade by enterprises that find it difficult to raise funds or small and medium startups.
 - The withholding rate on foreign company dividend income is increased from 20% to 21 % and the Retained Earnings Surtax credit regulation revoked.
3. Wholly-owned businesses and partnerships are exempt from Profit-seeking Enterprise Income Tax. Instead, tax will be directly deducted through the individual income tax of investors, thereby reducing the tax burden on small

and medium enterprises and start-up companies.

Strengthening international cooperation on tax-related matters

Taipei Economic and Cultural Office, Prague and the Czech Economic and Cultural Office sign the Agreement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (signed on 2017.12.12, procedure for taking effect to be completed in 2018)

Taipei Economic and Cultural Office, Prague and the Czech Economic and Cultural Office signed the Agreement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income in Prague on December 12, 2017. The two sides will strive to complete the necessary procedures domestically in 2018 to confirm the date the Agreement will take effect. 32 comprehensive tax agreements signed by Taiwan have come into force, of which 15 have been made with European countries (13 of which are EU members). This Agreement will make Taiwan's tax agreement network in Europe more complete, will help Taiwanese companies operate in Europe, attract foreign companies to set up their Asia-Pacific operations centers in Taiwan, and have a positive impact on discussion of expansion of tax agreements.

Regulations Governing the Exemption of Business Tax and Income Tax in Reciprocity under the Arrangement between Taiwan and Macao for the Avoidance of Double Taxation on Air Transport Enterprises (Applicable from 2018.1.1)

The Regulations Governing the Exemption of Business Tax and Income Tax in Reciprocity under the Arrangement between Taiwan and Macao for the Avoidance of Double Taxation on Air Transport Enterprises signed between Taiwan and Macao became applicable on January 1, 2018. It will provide

long-term system-based mutually beneficial double taxation avoidance protection and a stable environment for doing business and will help bilateral business activities and exchange between the people of each side and will drive economic development.

Business Freedom

Review of Company Act Directives in Line with the Executive Yuan’s Relaxation of Financial Regulations (October 2017 - Present)

The “Company Act” is the basic law on corporate organization. In line with the Executive Yuan’s policy to accelerate investment in Taiwan and relax financial regulations, we reviewed relaxation of three Company Act directives. The focal points of these revisions are presented below and intended to ensure the business environment in Taiwan is more advantageous to the development of companies and enterprises.

Administrative Rule	Provision	Focus of Revision
Ministry of Economic Affairs Ruling of October 24, 2017 documented as Jing-Shang-Zi No. 1060242281 supplemented the Ruling of March 7, 2003 documented as Jing-Shang-Zi No. 09202047630 (announced on October 24, 2017)	Involves Article 201 of the Company Act	This revision relaxes rules governing the selection of new board members, allowing selection before an existing member stands down but has indicated he/she will do so. This change addresses difficulties faced by companies convening shareholder meetings when a new board member can only be selected after an existing board member stands down, making it difficult to coordinate with shareholder meetings. In such situations, a provisional shareholders meeting has to be convened to select the new board member. This revision better meets the practical needs of enterprises.
Ministry of Economic Affairs Ruling of January 30, 2018 documented as Jing-Shang-Zi No. 10702402220 abolished the Ruling of December 7, 2001	Involves Articles 40, 101, 108 and 115 of the Company Act	It was originally stipulated that changes in the registration of general partnerships, limited partnership business entities, and limited liability companies required a shareholder

documented as Jing-Shang-Zi No. 09002267290 and the Ruling of May 1, 2002 documented as Jing-Shang-Zi No. 09102508320 (announced on January 30, 2018)		consent letter signed by shareholders in person, with a company stamp affixed. After revision, such actions are subject to the stipulations of the “Regulations Governing Company Registration and Recognition” which do not require the affixing of a company stamp. On announcement this relaxation applies to more than 520,000 companies.
Ministry of Economic Affairs Ruling of February 1, 2018 documented as Jing-Shang-Zi No. 10702402640 abrogated the Ruling of December 1, 2003 documented as Jing-Shang-Zi 09202242000 (announced on February 1, 2018)	Involves Article 156 of the Company Act	This revision abolishes the regulation stipulating that the face value of company shares must be a minimum of NT\$1. It allows startups to issue shares with a price of less than NT\$1, thereby attracting earlier investment and making it easier for startups to secure funding.

Shorten the duration of works of Getting Electricity

Taiwan Power Company (TPC) revised the Directions on the Processing of Applications for New Electricity Supply to Buildings under a Certain Size on March 2, 2017 (provided in the attachment). The number of days for overhead lines was 14 working days (16 calendar days); besides, the external works for underground lines were also simplified so that the total duration of underground lines was shortened from 18 working days (22 calendar days) to 17 working days (21 calendar days). The Directions are available on Taipower’s official website for public perusal.

※Directions on the Processing of Applications for New Electricity Supply to Buildings under a Certain Size

Chinese version : <http://www.taipower.com.tw/TC/page.aspx?mid=254>

English version :

<http://www.taipower.com.tw/upload/371/2018012418060993838.pdf>

Reforming the Construction Permit Application Process

Refining the construction permit application process: In 2018, the “Operational Rules for One-Stop Counters Issuing Building Permits for Buildings (Warehouses, or Office Buildings) of Five Stories or Lower” were revised. Laws revised at related agencies were also announced and guidance provided to applicants willing to use the one-stop counter, with proactive advocacy and promotion expanding the substantive benefits of the one-stop counter.

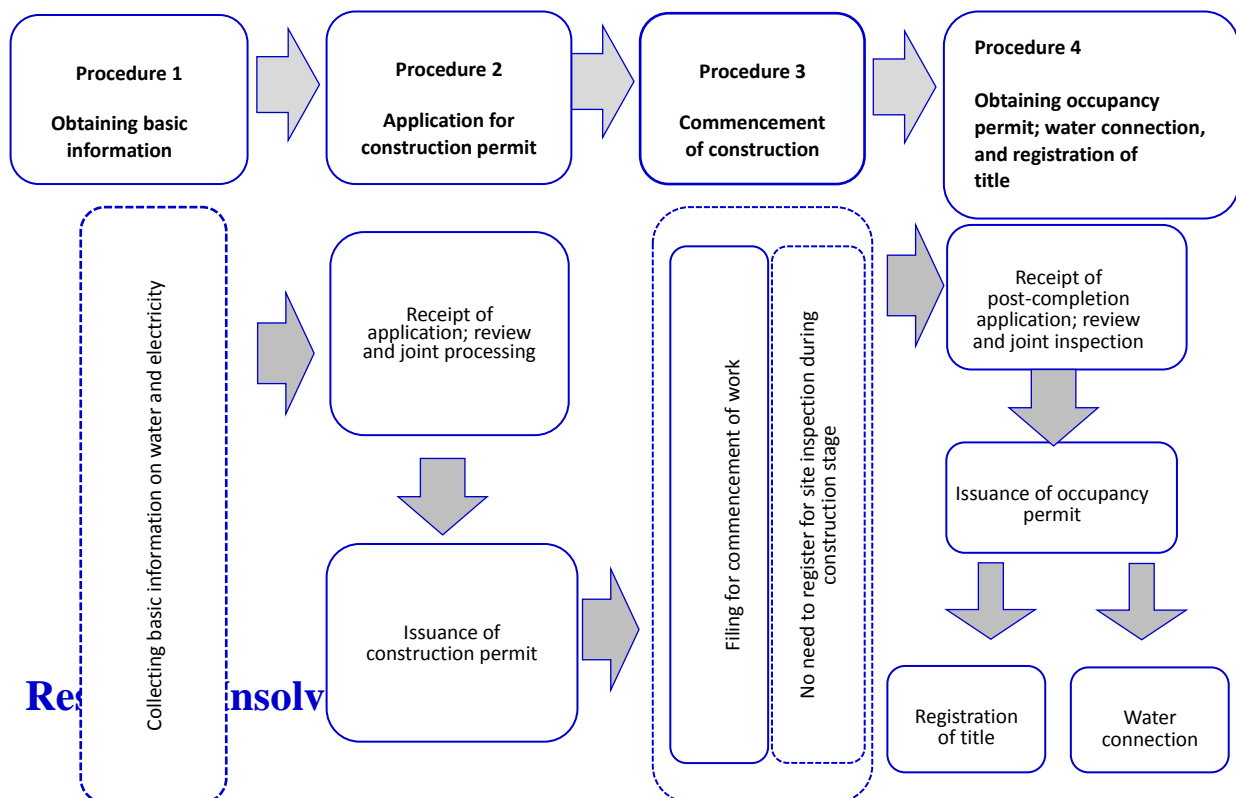
Future direction of adjustment in construction inspection procedure: In order to strengthen the existing building permit approval, site inspection and occupancy inspection process, and to ensure the adoption of three-level quality control and guarantee the quality of building design and construction work, the building code will be amended to introduce a third party certification mechanism, requiring building permit review and site inspections during construction and post completion to be conducted jointly by the competent authorities as well as professional institutions. The amendment is designated for application to the construction of buildings above a certain size. Construction work is expected, in addition to being subject to supervision by the original designated supervisor, to pass an inspection conducted by a central government accredited institution, juristic person, academic institution or body.

Related operational procedures are shown below (see diagram) :

- “Obtaining basic data” (Procedure 1) will be officially incorporated as part of the procedures of the one-stop counter issuing building permits, with a stipulation that the process will be completed within three working days after the submission of documents.

- “Application for Construction Permit and Review of Design for Water Supply” (Procedure 2) is a procedure for submission of construction permit and water supply applications and the conduct of a joint review. An online application for this procedure takes 9 working days from the day the application is submitted to be processed, 2.5 days shorter than the stipulated time.
- “Commencement of Construction” (Procedure 3) is the procedure for payment of the air pollution prevention fee and approval to start construction. The stipulated time for completion of this procedure is 6 working days from the day the application is submitted.
- “Obtaining Occupancy Permit, Water Connection, and Registration of Title” (Procedure 4) has incorporated the procedures for “Receiving Inspection from Water Company” , “Obtaining Water Connection” and “Registration of Title” . The stipulated time for completion of this procedure is 31.5 working days from the day the application is submitted.

Figure One-Stop Counter Flow Chart



THE INSOLVENCY FRAMEWORK ASSIGN PRIORITY TO POST-COMMENCEMENT CREDIT

- According to Subparagraph 1 Paragraph 1 of Article 95 of the Bankruptcy Act, costs incurred due to administration, conversion or allocation of the bankruptcy estate's assets by the bankruptcy trustee is the bankruptcy estate's costs. Subparagraph 1 and 2 of Article 96 of the Act stipulate: "debt resulting from the actions of the bankruptcy trustee with regard the bankruptcy estate," "debt generated by the bankruptcy trustee's request to exercise debt arising from bilateral contracts on behalf of the bankruptcy estate," and "debt arising from bilateral contracts that should be executed after the declaration of bankruptcy" are estate debts. Article 97: estate costs and estate debts should be repaid as required from the bankruptcy estate with priority over repayment of creditors' rights. Article 108: In advance of the declaration of bankruptcy, the debtor's property that is subject to pledge, mortgage and right of retention will enjoy the "right of exclusion." Creditors with the right of exclusion may be exempt from bankruptcy procedure when exercising their rights.
- According to Article 312 of the Company Act, the debts incurred for continued operation of the business of the company shall have preference for repayment over the rights of creditors in reorganization.

CREDITORS OF THE SAME CLASS RECEIVE THE SAME TREATMENT UNDER THE REORGANIZATION PLAN

- According to Paragraph 1 and 2, Article 306 of the Company Act, in case the plan of reorganization is not adopted by the groups with voting right at the meeting of persons concerned, the reorganization supervisor shall forthwith report to the court and the court may direct modification or alteration on fair and reasonable principle and order the meeting of persons concerned to reconsider the plan within one month. In case the aforesaid plan of reorganization remains not adopted upon reconsideration at the meeting of persons concerned, the court shall render a ruling to terminate

the reorganization; however, if the company is really worthy of reorganization the court may, as against the dissenting group, amend the plan of reorganization in any one of the following ways and render a ruling to approve it: (1) That the property held as security by secured creditors in reorganization together with the right of claim is to be transferred to the company after reorganization, and such right is to remain in existence without any change; (2) That the property held as security by secured creditors in reorganization, the property that can be appropriated to meet repayments to unsecured creditors in reorganization and the residual property that can be distributed to shareholders may, on the basis of its price if fair deals and in proportion to the sharing parts to which such creditors and shareholders are entitled, be disposed of for repayment, distributed to those entitled to receive it, or deposited with a court; or 3. Other fair and reasonable ways beneficial to maintaining the business of the company and protecting the right creditors.

- Therefore, a court can, in line with the principle of fairness and reasonableness, instruct that the reorganization policy be changed or approve the reorganization plan after using a fair and reasonable way to ensure the rights of the creditors, so that the creditors in each group receive the same treatment.

CREDITORS MAY APPOINT THE INSOLVENCY REPRESENTATIVE OR DECIDE TO APPLY TO A COURT TO REMOVE THE INSOLVENCY REPRESENTATIVE

- In liquidation, according to Paragraph 1 of Article 64 and Paragraph 1 of Article 83 of the Bankruptcy Act, the bankruptcy trustee shall be selected and appointed by the court from an independent certified public accountant or other persons who are suitable for managing the bankruptcy estate. Furthermore, Paragraph 2 of Article 83 and Article 85 of the Bankruptcy Act stipulate that the creditors' meeting can appoint a different bankruptcy trustee from the ranks of creditors and can also decide to apply to a court to

remove the bankruptcy trustee. According to Article 120 of the Act, the creditors' meeting can also appoint the bankruptcy supervisor.

- In reorganization, according to Paragraph 3, Article 290 of the Company Act, in the meeting of interested parties, if the result of the voting conducted in groups under Article 302 shows that two or more groups prefer a change of reorganizers, a list of candidates may be submitted to the court along with an application for such change.
- Therefore, creditors may appoint the insolvency representative or decide to apply to a court to remove the insolvency representative.

REFORM PLANS EXPECTED TO BE COMPLETED 2018.6-2019.5

- The draft amendment to the Bankruptcy Act by the Judicial Yuan (name changed to the Insolvency Act) has 337 articles, amending mediation and bankruptcy procedure, and adding juristic person reorganization procedure, public juristic person debt clearance procedure and foreign debt clearance procedure recognition. The draft bill was passed to the Legislative Yuan by the Judicial Yuan together with the Executive Yuan for deliberation on April 29, 2016.

Labor Freedom

Relaxing Employment Restrictions on Foreign Manpower

Amended the “Qualifications and Criteria Standards for Foreigners Undertaking the Jobs Specified Under Article 46.1.1 to 46.1.6 of the Employment Service Act (promulgated on 2017.07.26)

In concert with the government’s New Southbound policy, regulations governing the accompanying resident foreign spouses of foreign professionals undertaking professional or technical jobs part-time and other regulations have been added. Provisions allowing waiver of documents required under consultation of the central competent authority and the relevant central competent authorities or local competent authorities were also added to meet practical needs. The key points of those revisions are listed below:

Regulations	Provision	Key points of amendment
Qualifications and Criteria Standards for Foreigners Undertaking the Jobs Specified Under Article 46.1.1 to 46.1.6 of the Employment	Articles 37-1, 39-1, 43, 44, 46, 47	<ol style="list-style-type: none">1. New regulation governing the accompanying resident foreign spouses of foreign professionals undertaking professional or technical work part-time (Article 37-1)2. New regulation governing the accompanying resident foreign spouses of foreign professionals working part-time in management positions at overseas compatriot or foreign invested or established companies (Article 39-1)3. New regulation where, as part of efforts to promote the development of sport in Taiwan or in special situations, and

<p>Service Act</p> <p>(2017.07.26 modified and issued)</p>		<p>where the central competent authority and relevant central competent authorities determine individuals are not required to submit a sports coach qualification (Article 43)</p> <p>4. New regulation where as part of efforts to promote the development of sport in Taiwan or in special situations and where the central competent authority and relevant central competent authorities determine individuals are not required to submit documents showing their expertise in athletics (Article 44)</p> <p>5. Added provision regarding individual waiver of documentary proof of previous involvement in the arts or artistic performances under consultation of the central competent authority and the relevant central competent authorities. (Article 46)</p> <p>6. New regulation that where the central competent authority and relevant central competent authorities or local competent authority agree foreigners employed for art or performing arts work do not have to submit documents of the work sites listed in this provision. (Article 47)</p>
--	--	---

Note: For details of the “Qualifications and Criteria Standards for Foreigners Undertaking the Jobs Specified Under Article 46.1.1 to 46.1.6 of the Employment Service Act”, please refer to :

<https://laws.mol.gov.tw/Eng/FLAWDAT0201.aspx?lsid=FL028069>

Amended the “Qualifications and Criteria Standards for Foreigners Undertaking the Jobs Specified Under Article 46.1.8 to 46.1.11 of the

Employment Service Act (promulgated on 2017.08.11)

If employers in the manufacturing and butchery industries give up the approved quota of foreign workers number of recruits but the number they are originally given permission to employ remains the number employers can recruit in their first application, this will impact the manpower employers need for operations, therefore the scope for calculating the total number of foreigners taken on by employers has been amended; also, after further considering the poor work environment conditions, inability to automate operations and difficulty recruiting workers in the brick industry the foreign laborer allocation allowance in the industry is set at 25%; Moreover, although the aromatics manufacturing, plastic cleaning appliance manufacturing and sand and gravel processing industries are not listed in Appended Table Six, Article 13 of these standards, the manufacturing process of these industries are in accordance with processes No. 13, No. 19 and No. 22 listed in Appended Table Six and so these industries are heretofore included in Appended Table Six. The key points of those revisions are listed below:

Regulations	Provision	Key points of amendment
Qualifications and Criteria Standards for Foreigners Undertaking the Jobs Specified Under Article 46.1.8 to 46.1.11 of the	Article 14-7, Article 19-4 and Article 13 appended table 6	<ol style="list-style-type: none">1. Revised the scope for calculating total number of foreigners employed in the manufacturing and butchery industries. (Article 14-7, Article 19-4)2. Set the proportional allowance of foreign laborers in the brick industry at 25 percent (Article13 appended table 6)3. Included the aromatics manufacturing,

Employment Service Act (2017.08.11 modified and issued)		plastic cleaning appliances manufacturing and sand and gravel processing industries in Appended Table 6 (Article 13 appended table 6)
---	--	---

Note: For details of the “Qualifications and Criteria Standards for Foreigners Undertaking the Jobs Specified Under Article 46.1.8 to 46.1.11 of the Employment Service Act”, please refer to :

<https://laws.mol.gov.tw/Eng/FLAWDAT0201.aspx?lsid=FL028067>

Amended the “Regulations on the Permission and Administration of the Employment of Foreign Workers” (promulgated on 2018.03.21)

As overseas and compatriot students meet the stipulations detailing active student status in the “Regulations Regarding International Students Undertaking Studies in Taiwan,” “Regulations Regarding Study and Counseling Assistance for Overseas Chinese Students in Taiwan” and “Regulations Regarding Hong Kong and Macao Students Undertaking Studies in Taiwan,” the Ministry of Labor will, with the agreement of the school they are attending, issue them with a work permit, eliminating the requirement to submit a photocopy of their student ID card, annual academic record and financial statement. The key points of the amendments are listed below:

Regulations	Provision	Key point of amendment
Regulations on the Permission and Administration of the	Article 33	Eliminates the requirement to submit a photocopy of student ID card, annual academic record and financial

Employment of Foreign Workers” (Announced 2017.03.21		statement (Article 33).
--	--	-------------------------

Note: For details of the “Regulations on the Permission and Administration of the Employment of Foreign Workers”, please refer to :

<http://law.moj.gov.tw/Eng/LawClass/LawContent.aspx?PCODE=N0090027>

Formulated the Regulations on the Work Permit and Administration of Foreign Professionals Engaging in Arts and Performing Arts (promulgated on 2018.02.06)

In accordance with the provisions detailed in Article 10 of the “Act for the Recruitment and Employment of Foreign Professionals,” foreign professionals that meet the qualification standards detailed in these measures and work in the arts in Taiwan may apply for a work permit directly from the Ministry of Labor, not through an employer. The key points are listed below:

Regulations	Provision	Key points
Regulations on the Work Permit and Administration of Foreign Professionals Engaging in Arts and Performing	All 16 articles	Paragraph 1, Article 10 of the “Act for the Recruitment and Employment of Foreign Professionals” clearly stipulates that foreign professionals engaged in the arts may apply for a permit from the Ministry of Labor directly, not through an employer, to work in the arts in Taiwan. The Regulations involve the nature of art work to be engaged

Arts (2018.02.06 Announced)		in by the foreign professional in Taiwan, their qualifications, documents and procedures required and other matters concerning their work permit or management .
-----------------------------------	--	--

Note: For details of the “Regulations on the Work Permit and Administration of Foreign Professionals Engaging in Arts and Performing Arts”, please refer to:

<https://laws.mol.gov.tw/Eng/FLAWDAT0202.aspx?lsid=FL087662>

Formulated the “Ministry of Labor Directions for Reviewing Applications under Article 17 of the Act for the Recruitment and Employment of Foreign Professionals” (promulgated on 2018.02.08)

In concert with Article 17 of the “Act for the Recruitment and Employment of Foreign Professionals,” when the adult children of foreign professionals with permanent residence status in Taiwan are deemed by the National Immigration Agency of the Ministry of the Interior to meet certain requirements they may apply to the Ministry of Labor for a work permit. The key points are listed below:

Regulations	Provision	Key points
Ministry of Labor Directions for Reviewing Applications under Article 17 of the Act for the Recruitment	All 6 Articles	In concert with Article 17 of the “Act for the Recruitment and Employment of Foreign Professionals,” adult children of foreign professionals with permanent residence status in Taiwan deemed by the National Immigration Agency of the

and Employment of Foreign Professionals (promulgated 2018.02.08)		Ministry of the Interior to meet certain requirements, may apply to the Ministry of Labor for a work permit.
---	--	--

Note: For details of the “Ministry of Labor Directions for Reviewing Applications under Article 17 of the Act for the Recruitment and Employment of Foreign Professionals”, please refer to:

<https://laws.mol.gov.tw/Eng/FLAWDAT01.aspx?lsid=FL087698>

Formulated the “Qualifications and Criteria Standards for the Employment of Foreign Professionals in Teaching Positions Requiring Professional Knowledge or Skills at Short-term Supplementary Learning Centers” (promulgated on 2018.03.15)

In concert with Article 6 of the “Act for the Recruitment and Employment of Foreign Professionals,” employers seeking to employ foreign professionals in teaching positions that require professional knowledge or skills must apply to the Ministry of Labor for a permit. The key points are listed below:

Regulations	Provision	Key point
The Qualifications and Criteria Standards for the Employment of Foreign Professionals in Teaching Positions Requiring Professional Knowledge or Skills at	All 15 Articles	In concert with Paragraph 1, Article 6 of the “Act for the Recruitment and Employment of Foreign Professionals,” employers seeking to employ foreign professionals to engage in professional work detailed in Article 4.4.2 in Taiwan are required to file

Short-term Supplementary Learning Centers” (announced 2018.03.15)		permit applications with the Ministry of Labor. These measures are drafted to delineate the work content, as well as the qualifications of foreign professionals and employers at short-term supplementary learning centers hiring foreign teachers.
---	--	--

Note: For details of the “Qualifications and Criteria Standards for the Employment of Foreign Professionals in Teaching Positions Requiring Professional Knowledge or Skills at Short-term Supplementary Learning Centers”, please refer to:

<https://law.moj.gov.tw/Eng/LawClass/LawAll.aspx?PCode=N0090054>

Amended the Labor Standards Act (promulgated on 2018.01.31 effective on 2018.03.01)

Although this amendment maintains the principle of a five-day work week, it also focuses on the principles of safety and flexibility, pragmatically giving employers and workers a reasonable degree of flexibility. With regard to a small number of exceptive provisions, workers’ rights and interests are guaranteed through multiple measures such as the strengthened advance government checking mechanism, internal enterprise autonomous negotiating mechanism and the implementation of administrative supervision. The key points of the amendments are listed below:

Regulations	Provision	Key points of amendment
Labor	Article 24	Elimination of Paragraph 3, Article 24 of the

Standards Act		<p>Labor Standards Act so that hereafter time working and remuneration on days off will be calculated based on actual time spent working. Time worked will be calculated as extend work time per month, which meets the individual economic needs of workers and the flexible use of labor requirement of enterprises, to facilitate the compliance of both.</p>
Labor Standards Act	Article 32	<p>In principle, the limit of 46 hours overtime a month will remain in place, but while embracing the fact that total overtime hours will be unchanged, employers and employees will be able to negotiate greater flexibility in related work time adjustments.</p> <ol style="list-style-type: none"> 1. Following the introduction of exceptions to the existing limit of 46 hours overtime per month, after securing the consent of the labor union, or in businesses that do not have a union consent at a meeting of company and labor representatives, the employer can choose to take three months as a base of calculation, during which period overtime must not exceed 54 hours in any one month and 138 hours for the three-month period. 2. Companies with a workforce of 30 or more persons are required to submit any such arrangements to the local

		competent authority for record.
Labor Standards Act	Article 34	<p>In terms of shift work, the time between shifts should in the main remain 11 hours. However, in situations relating to the “nature of the work” involved or “special causes” and where the relevant central competent authorities consults with and receives the agreement of the Ministry of Labor, permission can be given to a time period between shifts of no less than 8 hours.</p> <ol style="list-style-type: none"> 1. In order to focus on the practical operational situation and the health of workers, the relevant central competent authorities will evaluate submissions and in those cases where it is deemed necessary to reduce the rest period between shifts because of the “nature of the work” or “special causes,” will seek the consent of the Ministry of Labor. After the business secures the consent of the labor union, or in businesses that do not have a union, agreement at a meeting of company and labor representatives, the two sides may draft an agreement on accepted rest periods that can be no less than 8 hours between shifts. 2. Companies with a workforce of 30 or more persons are required to submit any such arrangements to the local competent authority for record.

<p>Labor Standards Act</p>	<p>Article 36</p>	<p>Other than where special permission is received, workers should in principle not take more than six consecutive regular days off. Only after securing the agreement of the relevant central competent authorities and a designation from the Ministry of Labor can regular days off within the 7 day cycle be flexibly arranged.</p> <ol style="list-style-type: none"> 1. In principle, this revision maintains the “five-day working week” and workers are still not allowed to take six consecutive regular days off. Only in the case of “special times,” “special locations,” “special types of work” and “special circumstances” after securing the consent of the relevant central competent authorities, being designated by the Ministry of Labor, and individual businesses securing the consent of the labor union, or in businesses that do not have a union, consent at a meeting of company and labor representatives, regular days off within the 7 day cycle can be flexibly arranged. 2. Companies with a workforce of 30 or more persons are required to submit any such arrangements to the local competent authority for record.
<p>Labor Standards Act</p>	<p>Article 38</p>	<p>In order to ensure workers looking to take accrued leave can arrange longer continuous vacations to recharge their batteries and</p>

		<p>return to work refreshed and more efficient, a proviso is added to Paragraph 4, Article 38 of the Labor Standards Act indicating that where employers and employees agree leave days not taken at the end of a year can be carried over to the following year. In order to ensure workers' right to annual leave is not undermined by such deferred leave, if a worker still has deferred annual leave days not taken at the end of the year or contract, then the employer should pay the equivalent amount in salary.</p>
--	--	--

Note: For details of the “Labor Standards Act”, please refer to:

<http://laws.mol.gov.tw/Eng/FLAWDAT01.aspx?lsid=FL014930>

Results of Labor Related International Agreement

On October 10, 2017, the Workforce Development Agency under the Ministry of Labor and TAFE Directors Australia (TDA) signed a “Memorandum of Understanding on Vocational Education and Training Cooperation” (MOU),” to promote bilateral exchange between Taiwan and Australia in the field of vocational training. In addition to establishing a bilateral international organizational platform for exchange, this MOU also seeks to enhance the professional teaching capabilities of vocational trainers, private sector mutual recognition of competencies and workforce development digital learning etc.

Trade Freedom

Liberalizing non-tariff barriers to trade

Simplified customs declaration for duty free imports of small value product samples

Domestic importers have been able to import small value product samples since September 7, 2017, and where the taxable value declared is less than NT\$3,000, the importer can fill in a simplified customs clearance declaration form. The introduction of a simplified, rapid and low-cost customs clearance environment for small-value samples also enhances the international competitiveness of industry in Taiwan.

Enhancing use of paperless declarations for customs clearance

T6 Paperless Operations for Sea and Air Combined Re-export were announced and implemented on July 7, 2017. As a result, customs officials are not required to print T6 written permits for T6 transshipment container goods destined for Taiwan Taoyuan International Airport or Kaohsiung International Airport not under escort or undergoing inspection. It is estimated that more than 95% of cases that fall into this category no longer require the printing of re-export applications and permits, easing the huge manpower burden on the transportation industry and customs brokers and reducing the amount of paper used, thereby accelerating the speed at which T6 re-export cases clear customs.

Holding joint inspections of imported planeside release cargo on trial basis with licensing agency

Customs and licensing authorities (Bureau of Animal and Plant Health Inspection and Quarantine, Council of Agriculture and the Taiwan Food and Drug Administration, Ministry of Health and Welfare, launched trial joint

inspections of plane-side release imports on December 11, 2017, thereby reducing the need to reopen packages and saving on the time and effort expended by customs (inspection) officials traveling to and from the “waiting for inspection area.”

Speeding up the rationalization of laws and regulations

- “The Regulations Governing the Implementation of Advance Ruling on the Country of Origin of Imported Goods” were announced on July 17, 2017. As part of these, the taxpayer or a proxy must apply to the customs office for advance ruling of country of origin of imported goods before they are imported. This assists the importer clarify as soon as possible the imported goods’ country of origin and thereby confirm if import controls apply, reducing customs clearance disputes and ensuring clearance proceeds smoothly.
- The “Regulations Governing the Management of Import/Export Clearance for Transportation Means” were amended on August 10, 2017, revising the deadline for the submission of export ship loading lists from “before ships arrive” to “before ships clear customs” . This change was made in response to the practical needs of local operators and will boost the development of the domestic ocean shipping sector.
- Articles 5 and 21 of the “Regulations Governing the Establishment and Management of Offshore Island Duty-free Shops” and Articles 4 and 21 of the “Regulations Governing the Establishment and Management of Duty-free Shops” were amended on August 10 and August 30, 2017. In concert with the Executive Yuan’s “Perfect Taiwan’s Environment for Retaining Talent,” the Alien Residence Certificate (ARC) is considered the equivalent of a passport as an I.D. document, with the ARC accepted as an I.D. document when

travelers buy something from an offshore island Duty-Free Store or Duty-Free Shopping Outlet.

- The “Regulations Governing the Certification and Management of Authorized Economic Operators” were amended on August 15, 2017, temporarily permitting duty-free imported re-exports to replace a tax guarantee with a self-executed affidavit for the inspection and release of goods; an amendment allowing safety accredited authorized economic operators that conduct annual self-inspections and pass random customs checks or make improvements within an allotted period of time to not require to go through test and verification procedures also made; newly added regulations governing the ending of preferential treatment to authorized economic operators, suspension of qualification or disqualification by customs officials and the application for restoration of said qualification by authorized economic operators; elimination of the regulation stipulating safety accredited authorized economic operators who have their qualifications terminated cannot apply for further accreditation, and clear stipulation of major violations that once confirmed are grounds for the termination of authorized economic operators status; relaxation of restrictions on applications for authorized economic operator status by affiliated or branch companies established in Taiwan by certified authorized economic operators from areas or countries with which Taiwan has signed an Authorized Economic Operator Mutual Recognition Agreement, ensuring authorized economic operator enjoys greater convenience and preferential treatment.
- The “Regulations Governing Customs Clearance Procedures for Maritime Courier Consignments” and “Regulations Governing Customs Clearance Procedures for Air Courier Consignments” were amended on September 2, 2017. These revisions removed restrictions on customs clearance in the

maritime courier consignment zone, expanded the operational scope of maritime courier business, allowed goods exported from free trade zones to use a simplified customs declaration form in the air courier consignment zone, relaxed simplified customs declaration for small value product samples, to increasing the international trade competitiveness of Taiwanese operators; incorporated the item of Alien Resident Certificate ID No. into the simplified customs declaration form to increase the convenience to foreign nationals living in Taiwan, also relaxed rules allowing the sending party to attach a signed statement of value to products that are not part of a commercial trade and have no invoice.

- Some provisions of the “Operational Guidelines on Applications for Inspection and Release of Ship Required Goods” were amended on November 2, 2017. In accordance with the newly revised “Money Laundering Control Act” and the Central Bank’s Taiying Fatzu No. 1060023964 announcement on June 20, 2017, the original reference to “New Taiwan Dollars” is amended to read “Funding required by ships” , which can include New Taiwan dollars, Renminbi, foreign currencies and currencies issued in Hong Kong or Macau, making it easier for international transport companies to observe.
- Points 2 and 4 of the “Re-export/import Case Declaration Verification Operational Regulations” were amended on November 11, 2017, together with the adjustment of the duty-free limit in Item 2, Article 49 of the “Customs Act” , to exempt the financial standard on the original import or export declaration from verification.
- The “Operational Regulations Governing Customs Clearance Procedures in Taiwan of Imported/Exported Shipping Courier Consignments in Transit

to/From Kinmen, Matsu and Penghu” were amended on December 6, 2017. Rules governing imports and exports that transit through Kinmen, Matsu and Penghu are relaxed so that the shipping of bonded containers approved by customs and sealed with a customs RFID that transmits information on container movements can also carry maritime courier consignments in transit which will boost commerce and meets the needs of operators.

- On December 8, 2017, revisions of the “Regulations Governing Customs Clearance Procedures for Maritime Express Consignments” announced, exempted the customs clearance of non-bound bag express consignments from printing a customs clearance tag.
- The “Operational Directions on Mail Export of Goods in Free Trade Zones” announced on December 28, 2017, allowing China Post Co., Ltd. to receive goods in free trade zones and then export them by mail, as a way of facilitating industry development and cross-border E-commerce.
- Partial amendments of the “Customs Anti-Smuggling Act” and amendments of Articles 17, 84 and 96 of the “Customs Act” were promulgated on May 9, 2018. These revisions encourage actors to proactively make corrections to their declarations as a way of reducing the cost of taxing and anti-smuggling and allow customs officials to issue fines on a discretionary basis. It also imposes rational limits on the period for such punishments as orders for goods to be returned or press for the payment of goods for imports already released into the country that should not have been imported. This is intended to prevent repeat regulations and establish a principle for payment of disposal costs for confiscated goods or articles so as to reduce lawsuits and promote the rationalization of laws and regulations.

Amendment of the Customs Import Tariff

1. Parts of the Customs Import Tariff were amended on November 22, 2017, to strengthen the supply chain of domestic solar photovoltaic industry, develop solar energy, and resolve problems with the execution of customs practices and reduce disputes between taxpayers and the authorities. This revision also executes the tariff concession undertaking made in the Economic Cooperation Agreement signed by the Republic of China and the Republic of Paraguay, while also meeting the needs of industry development.
2. Parts of the Customs Import Tariff were amended on December 27, 2017, in accordance with the tariff concession undertaken by Taiwan at the “2nd Free Trade Agreement between ROC (Taiwan), El Salvador and Honduras Executive Committee and signed by the Republic of China and El Salvador.
3. The key amendments are listed below :

Law	Provision	Key points of amendment
Customs Import Tariff (amendments announced on November 22, 2017)	Additional provisions 3 Revised provisions 81	<ol style="list-style-type: none"> 1. Customs duty exemptions will be granted on imported terminal boxes, silicone, packaging materials and glass where the Ministry of Economic Affairs confirms their use in the production of solar photovoltaic modules. This ensures tax regulations in the ROC are more inclusive, clear and accord with international norms. Two addition provisions are added and 21 product names revised to facilitate customs operations. 2. In concert with the Republic of China (Taiwan) Paraguay

Law	Provision	Key points of amendment
		<p>Economic Cooperation Agreement, tariffs on 38 products produced in Paraguay will be immediately eliminated when the agreement comes into effect and those for milk powder and 15 plywood products, be gradually eliminated over six year and five years, respectively.</p> <p>3. Based on considerations of industry development needs, tariffs on biofuel use palm kernel shells, natural silk, silk yarn and information service robots will be eliminated.</p>
<p>Customs Import Tariff (amendments announced on December 27, 2017)</p>	<p>Additional provisions 4 Deleted/ revised provisions 22</p>	<p>1. The amount of crude sugar exported from El Salvador to Taiwan will be increased to a total quota of 20,000 metric tons.</p> <p>2. Elimination of tariffs on natural honey, dried oranges and other dried orange products.</p> <p>3. Establishment of a 1,000kg annual tariff exemption quota for dried plantains, dried bananas, dried pineapples and dried mango from El Salvador.</p>

Revision of Regulations Governing Issuance of Certificates of Origin and Certificates of Processing

In order to relax regulations governing application for certificates of origin, thereby reducing the cost and time expended by importers on paperwork, articles in the “Regulations Governing Issuance of Certificates of Origin and Certificates of Processing” were amended on April 3, 2018, coming into force on April 10. A total of seven articles were amended, the key points are detailed below :

Regulations	Provision	Key points of amendment
Regulations Governing Issuance of Certificates of Origin and Certificates of Processing (amendments announced on April 3, 2018)	Articles 11, 15, 18, 21, 23, 24 and 31	<ol style="list-style-type: none"> 1. When an application is made for a certificate of origin for products to be directly exported from a third country to the importing country and the issuing agency can check related data on the certificate of origin operations system, the applicant is not required to submit further written documentation (Article 18). 2. Out of a consideration of trade needs, a Bureau of Foreign Trade list of designated products that can apply for pre-customs release certificates of origin is added and rules governing applications for pre-customs release certificates of origin are relaxed. Regulations clearly stipulate that where the issuing agency can check related data online, the applicant is not required to submit further related documents (Article 21). 3. Out of a consideration of trade operations and to make it more convenient for firms, a time limit of 180 days is introduced for certificate of origin applications, cancellations, cancellations and renewal, reissuance (Articles 23, 24).

Note: For an English translation of the Regulations Governing Issuance of Certificates of Origin and Certificates of Processing:

<https://law.moj.gov.tw/Eng/LawClass/LawAll.aspx?PCode=J0090016>

Relaxation of Quarantine Requirements for the Importation of Plants and Animals into the Republic of China

The key points of the amendment are detailed below :

Regulations	Provision	Key points of amendments
-------------	-----------	--------------------------

<p>Quarantine Requirements for The Importation of Plants or Plant Products into The Republic of China (amendments announced on July 19, 2017)</p>	<p>Item 17, Point 2 of the quarantine requirements for conditional importation of plants or plant products and addendum “Quarantine Requirements for Muskmelon and Fresh Fruit Imported from Honduras”</p>	<p>Honduran muskmelons from pest-free production sites can be exported to Taiwan based on the “Quarantine Requirements for Muskmelon and Fresh Fruit Imported from Honduras.” This enhances bilateral diplomatic and trade relations and provides consumers with more choices.</p>
<p>Quarantine Requirements for The Importation of Animals or Animal Products into The Republic of China (amendments announced on August 4, 2017)</p>	<p>Point 8, addendum 4-6 “Quarantine Requirements for Imported Cat and Dog Food.”</p>	<ol style="list-style-type: none"> 1. Relaxes controls on non-bovine sourced flavoring agent ingredients and canned cat and dog food that do not contain bovine sourced ingredients. 2. Exporting countries that have bilateral agreements with the Republic of China (Taiwan), newly added systematic approval of products and manufacturers from countries that already export tinned cat and dog food to Taiwan. 3. Quarantine certificates for cat and dog food are simplified to indicate whether a product comes from a country where there has been no outbreak of bovine spongiform encephalopathy (BSE), or one where the risk of an outbreak of BSE is under control, or indeterminate as determined by the World

		Organization for Animal Health.
Quarantine Requirements for The Importation of Animals or Animal Products into The Republic of China (amendments announced on August 24, 2017)	Point 8, addendum 4-2 “Quarantine Requirements for Imported Poultry Meat.”	<ol style="list-style-type: none"> 1. All poultry products from birds slaughtered 90 days after the last recorded case in an outbreak of low pathogenicity avian influenza in an exporting country can be reinstated as coming from an infection free country or area, and start exporting to Taiwan, thereby improving bilateral trade. 2. After examining the animal health questionnaire submitted by countries that export meat products to Taiwan, those products should receive Taiwan exporter systematic accreditation. That ensures slaughter facilities (or processing plants) are substantively certified as meeting hygiene standards for meat products.
Quarantine Requirements for The Importation of Animals or Animal Products into The Republic of China (amendments announced on August 24, 2017)	Point 8, addendum 4-3 “Quarantine Requirements for Imported Ungulate Meat.”	Awarding Taiwan exporter systematic accreditation to meat products exported to Taiwan from exporting countries that submit an animal health questionnaire ensures slaughter facilities (or processing plants) are substantively certified as meeting hygiene standards for meat products
Quarantine	Item 1, Point 1 of the	German apples can be exported

Requirements for The Importation of Plants or Plant Products into The Republic of China (amendments announced on October 27, 2017)	quarantine requirements for conditional importation of plants or plant products and addendum “Quarantine Requirements for Apples Imported from Germany”	to Taiwan based on the “Quarantine Requirements for Apples Imported from Germany.” This enhances bilateral diplomatic and trade relations and provides consumers with more choices.
--	---	---

Amendment of Packaging and Labeling Regulations

In light of harmonizing with international regulations on nutrition labeling, the revised “Regulations Governing Nutrition Labeling Exemption for Prepackaged Foods” were announced on March 14, 2018 and the revised “Regulations Governing Nutrition Labeling for Prepackaged Foods” on March 31, 2018. The key revisions are detailed below :

Regulations	Provision	Key points of amendments
Regulations Governing Nutrition Labeling Exemption for Prepackaged Foods (amendments announced on March 14, 2018)	Point 2	Adding items to the exemption list if nutrition labeling: <ol style="list-style-type: none"> 1. Dried beans, wheat, other herbs and woody plants and their flowers/fruit/seeds (such as black bean tea bags, wheat tea bags, herbal tea bags) that are brewed with water and contain no other raw materials or food additives. 2. Prepackaged foods meeting conditions of labeling with “0” for calorific and nutritional content stipulated in the “Regulations Governing Nutrition Labeling for Prepackaged Foods.
Regulations Governing Nutrition Labeling for Prepackaged Foods	Points 2, 3, 4, 6, 7, 8, 9, 10 and 11	<ol style="list-style-type: none"> 1. Addition of nutrition labeling horizontal cut label and simultaneous labeling of multiple flavors. 2. Addition of commonly recognized and used units and symbols, including g,

(amendments announced on March 31, 2018)		<p>mg, mL, L etc.</p> <ol style="list-style-type: none"> 2. Principles for correction of data and methods, adding methods for rounding figures up or down 3. For product of uncertain weight (for example mullet roe)the word “about” may be noted for its number of servings given. . 4. Saturated fats must be labeled as saturated fats or saturated fatty acids, with trans fats labeled as trans fats or trans fatty acids. 5. Individual nutrients must be listed in a list of nutrients, so individual fatty acids should be listed under fatty acids and amino acids under proteins. 6. Sodium content and packaged values should be expressed as an integer or rounded up one decimal place.
--	--	--

Amendment of the Government Procurement Act

The “Government Procurement Act” is based on the World Trade Organization’s (WTO) Agreement on Government Procurement (GPA) and government procurement laws in advanced countries so as to adhere to international standards. However, the “Government Procurement Act” and related provisions were revised to ensure a comprehensive government procurement statutory system, simplifying procurement operational procedures, enhancing procurement efficiency and quality, ensuring the fairness of government procurement, promoting fair competition between companies and facilitating trade freedom. The key revisions are detailed below :

Regulations	Provision	Main points of amendments
Regulations for Selection and Fee Calculation of	Articles 3, 9	Adds a provision that the relevant government authority should determine a base price based on reasonable price

<p>Professional Services Providers Entrusted by Entities (amendment announced on August 28, 2017)</p>		<p>quotations that fall within budgetary parameters from negotiating vendors and award the bid accordingly.</p>
<p>Enforcement Rules of the Government Procurement Act (amendment announced on March 2, 2018)</p>	<p>Article 58</p>	<p>Relevant government authority should organize procurement according to sub-paragraphs 9-11, paragraph 1, Article 22 of the Government Procurement Act. In the event that a bid is revoked or a contract canceled as detailed in paragraph 2, Article 50 of the same act, where two or more firms were originally selected as the bid winner or surveyed as suitable, price negotiations must be held according to procedure to facilitate procurement efficiency.</p>
<p>Tendering Regulations of Central Government Entities for Procurement of a Value Not Reaching the Threshold of Publication (amendment announced on March 8, 2018)</p>	<p>Article 2</p>	<p>With procurement cases that do not reach the publication threshold (NT\$1 million) but exceed 10 percent of such threshold, the relevant government authority should organize a limited competitive bid in accordance with Sub-paragraph 2, Paragraph 1, Article 2 of the Government Procurement Act; eliminates the need to detail reasons for not publishing and for a supervisory agency to examine such decisions, affording the relevant government agency greater flexibility.</p>
<p>Draft revisions of Government Procurement Act (article by article review completed by the Legislative Yuan’s Transportation Committee on May</p>	<p>Articles, 4, 11-1, 15, 17, 22, 25, 26-1, 30, 31, 47, 50, 52, 59, 63, 70-1, 76, 85, 93, 94, 95, 101, 103</p>	<ol style="list-style-type: none"> 1. Revises method of payment for bid bonds and guarantee deposits, permitting the use of nominative government bonds (Article 30). 2. Simplifies relevant conditions for choosing the most advantageous tender, eliminates “heterogeneous” and “lowest tender unsuitable”

<p>10, 2018, with party caucus discussions to take place before submission to the full legislature)</p>		<p>categories so the relevant government agency can make a determination on a case by case basis and flexibly apply procurement strategy (Article 52).</p> <ol style="list-style-type: none"> 3. Adds an appeal process for firms where the relevant government agency fails to return or presses for the payment of the bid bond, also applicable to amounts that do not meet the publication value threshold (NT\$1 million) (Article 76). 4. Revision of existing regulations allowing firms to be blacklisted in the Government Procurement Gazette <ol style="list-style-type: none"> (1) Certain situations leading to inclusions in the Government Procurement Gazette should be designated “Serious Violation” to ensure adherence to the principle of proportionality. (2) Addition of offering a bribe as a sufficient reason to suspend bidding rights for three years. (3) Addition of major occupational accident as a sufficient reason to suspend bidding rights for one year. (4) When the relevant government agency informs a firm it will be listed in the Government Procurement Gazette, it should also give the company an opportunity to defend itself. (5) Addition of factors for relevant government agencies to consider in determining “serious violations” , including the degree of damage/loss incurred by the agency, degree of responsibility
---	--	--

		<p>attributable to the firm and the remedial or compensatory measures adopted by the company.</p> <p>(6) Additional regulation dividing serious contract violations leading to suspension of rights into different time period depending on whether the infraction is “a first time offense” or “latest in a multiplicity of offenses” : any company not listed by any government agency for five years, three months after the listing; any firm listed once by a government agency, six months after the listing; any firm listed twice or more by a government agency, one year after the listing (Articles 101 and 103).</p>
--	--	--

Economic and Trade Agreement and Cooperation MOU

Taiwan India Sign Authorized Economic Operator (AEO) Mutual Recognition Action Plan

On October 11, 2017, Taiwan's Customs Administration and India's Central Board of Excise and Customs (CBEC) signed a “Taiwan India Authorized Economic Operator (AEO) Mutual Recognition Action Plan.” This is the first action plan Taiwan has signed since the government began to promote its New Southbound policy. As a result, customs officials in both countries will incrementally promote the mutual recognition of AEOs from Taiwan and India.

Investment Freedom

Loosening regulations related to investment by foreigners.

In December, 2018, the draft amendment of the Statute for Investment by Foreign Nationals and its notification process were completed; at present, opinions collected from the public are being sorted; upon completion of this, the draft amendment will be passed to the Executive Yuan for review. The aim is to create a foreigner-friendly investment environment that is aligned with international norms. Also, the amended Negative List for Investment by Overseas Chinese and Foreign Nationals was announced on February 8, 2018, allowing foreigners to invest in ship rental and leasing, wheat cultivation, buckwheat cultivation, job's tears cultivation, organic vegetable cultivation and facility protected cultivation of vegetables (limited to plant factories) in Taiwan.

International investment agreement cooperation results

On December, 2017, Taiwan signed an updated bilateral investment agreement with the Philippines, strengthening bilateral investment protection and promoting investment cooperation. This agreement came into effect on March 1, 2018.

Financial Freedom

Loosening regulations relating to restrictions on the operations of financial institutions

Banking

Regulations Governing Securities Investment of Credit Cooperatives amended (announced 2017.7.28)

Partial amendment of the Regulations Governing Securities Investment of Credit Cooperatives was announced on July 28, 2017, with the aim of increasing the use efficiency of credit cooperatives' use of surplus funds while considering investment risk control. The key points of the amendments are :

Regulations	Article	Key points of amendments
Regulations Governing Securities Investment of Credit Cooperatives (amendments announced 2017.7.28)	Articles 2, 3, 4, 5, 6, 8, 9 and 11 amended.	<ol style="list-style-type: none">1. A provision has been added allowing credit cooperatives to invest in domestic TPEX-listed company stock (Article 2) to increase investment channels for credit cooperatives while considering risk control.2. The requirements of credit cooperatives for financial soundness have been adjusted and investment cap raised. (Articles 4 and 5)3. Amendments made in line with the aforementioned amended

		articles and practical needs. (Articles 3, 6, 8, 11)
--	--	---

Note: for the English version of the Regulations Governing Securities Investment of Credit Cooperatives, go to :

<https://law.moj.gov.tw/Eng/LawClass/LawContent.aspx?PCODE=G0380141>

Rules Governing the Administration of Electronic Payment Business amended (announced 2017.8.18)

Partial amendment of the Rules Governing the Administration of Electronic Payment Business was announced on August 18, 2017, aiming to increase the convenience of the payment service provided by electronic payment institutions and the use flexibility of e-payment account holders, and to simplify the business application process for e-payment institutions :

Regulations	Article	Key points of amendments
Rules Governing the Administration of Electronic Payment Business amended (announced 2017.8.18)	Articles 2, 7, 9, 12, 20-1, 24 and 27 amended.	<ol style="list-style-type: none"> 1. Taking into account the need to integrate e-payment terminal equipment, e-payment institutions are now allowed to provide a “integration and delivery of receipt/payment information of the receiving user” service; and business application procedure has been simplified and related regulations set. (Articles 2, 20-1 and 27) 2. In order to increase the convenience of payment services provided by

		<p>e-payment institutions, the regulations have been relaxed to allow e-payment institutions to no longer be subject to regulations on payment instruction and reconfirmation when handling collecting and making payments for real transactions as an agent when meeting requirements of advance agreement and transaction cap for certain security design. (Article 7)</p> <p>3. In order to increase the use flexibility of e-payment accounts, it is stipulated that e-payment institution that are approved to conduct stored value card business can, at the request of the user, transfer NT\$ payment from an e-payment account to a named electronic stored value card held by the same user that is issued by the same e-payment institution. (Article 9)</p>
--	--	---

Note: For English version of the Rules Governing the Administration of Electronic Payment Business go to :

<http://db.lawbank.com.tw/Eng/FLAW/FLAWDAT01.asp?lsid=FL076771>

Rules Governing the Business of Electronic Stored Value Card Issuers amended (announced 2017.8.30)

Amendments to articles 17 and 22 of the Rules Governing the Business of Electronic Stored Value Card Issuers were announced on August 30, 2017, aiming to promote the development of the electronic stored value card market and increase the efficiency of electronic terminal equipment integration. The main points of the amendments :

Regulations	Article	Key points of amendments
Rules Governing the Business of Electronic Stored Value Card Issuers (announced 2017.8.30)	Articles 17 and 22 amended	<ol style="list-style-type: none"> 1. Regulations relaxed to allow electronic stored value card issuers to provide or jointly use the terminal equipment of other electronic stored value card issuers, credit card acquiring institutions or e-payment institutions. (Articles 17 and 22) 2. Application process for outsourcing simplified. (Article 22)

Notes: for the English version of the Rules Governing the Business of Electronic Stored Value Card Issuers go to:

<https://law.moj.gov.tw/Eng//LawClass/LawContent.aspx?pcode=G0380210>

Regulations Governing the Trading of Financial Derivatives by Bills Finance Companies amended (announced 2017.9.20)

Amendment of articles 3 and 10 of the Regulations Governing the Trading of Financial Derivatives by Bills Finance Companies were announced on September 20, 2017; considering the rapid development of the financial market and the business requirements of bills finance companies, the scope of financial derivatives trading bills finance companies are allowed to engage in has been relaxed. The key points of the amendments are :

Regulations	Article	Key points of amendments
Regulations Governing the Trading of Financial Derivatives by Bills Finance Companies (announced 2017.9.20)	Articles 3 and 10 amended	<ol style="list-style-type: none"> <li data-bbox="890 674 1420 1680">1. Bills finance companies entering a trading contract as a customer may engage in financial derivative transactions; the foreign trading contracts are limited to the futures trading contracts traded on the foreign futures exchange upon the FSC’s approval of cooperative agreement between Taiwan Futures Exchange Corporation and such foreign futures exchange. <li data-bbox="890 1680 1420 2020">2. Regulations relaxed to allow bills finance companies to engage in trading of exchange rate derivatives as customer for purposes other

		<p>than only hedging. (Article 3)</p> <p>3. Regulations relaxed to allow bills finance companies to engage in trading of exchange rate derivatives as customer or dealer with denomination not limited to New Taiwan Dollar. (Article 3)</p>
--	--	--

Note: for English version of Regulations Governing the Trading of Financial Derivatives by Bills Finance Companies go to :

<https://law.moj.gov.tw/Eng/LawClass/LawContent.aspx?PCODE=G0380162>

Regulations Governing the Scope of Business, Restrictions on Transfer of Beneficiary Rights, Risk Disclosure, Marketing, and Conclusion of Contract by Trust Enterprises amended (announced 2017.9.30)

Amendment of Article 11 of Regulations Governing the Scope of Business, Restrictions on Transfer of Beneficiary Rights, Risk Disclosure, Marketing, and Conclusion of Contract by Trust Enterprises was announced on September 30, 2017, the aim is to facilitate a balance between the business of trust enterprises and securities firms and provide non-professional investors greater investment choice by offering the option of using the trust method to invest in offshore structured products.

Regulations	Article	Key points of amendments
Regulations Governing the Scope of Business,	Article 11 amended	Regulations relaxed allowing non-professional investors that meet certain requirements to

Restrictions on Transfer of Beneficiary Rights, Risk Disclosure, Marketing, and Conclusion of Contract by Trust Enterprises (announced 2017.9.30)		entrust a trust enterprise to invest in leveraged or short sell effect overseas exchange-traded funds, with limit of positive multiple of two and negative multiple of one.
---	--	---

Note: for the English version of the Regulations Governing the Scope of Business, Restrictions on Transfer of Beneficiary Rights, Risk Disclosure, Marketing, and Conclusion of Contract by Trust Enterprises go to: <https://law.moj.gov.tw/Eng/LawClass/LawContent.aspx?PCODE=G0380204>

Regulations Governing Domestic Branches of Financial Institutions amended (2017.10.12)

Amendment of the Regulations Governing Domestic Branches of Financial Institutions amended was announced on October 12, 2017. The change is intended to promote the universality of financial services and encourage financial institutions to provide financial services in remote areas and to make financial institutions take care of the rights and interests of existing customers and employees when a branch is relocated or closed. The key points of the amendments :

Regulations	Article	Key points of amendments
Regulations Governing Domestic Branches of Financial Institutions	Articles 3, 4, 5, 7 and 9 amended	1. Return on Equity indicator lowered and the calculation time-point of related financial

<p>(announced on October 12, 2017.)</p>		<p>business data related adjusted. (Article 3)</p> <p>2. No limit on the number of financial institutions applying. (Article 4)</p> <p>3. Number of applications increased to twice a year, but applications for establishment of branches that will benefit rural-urban development are not subject to this restriction. (Article 5)</p> <p>4. Requirement for relocation plan to state the opinions of existing customers and employee settlement plan added. (Article 7)</p> <p>5. Requirement for closure plan to state the opinions of existing customers and closure employee settlement plan added. (Article 9)</p>
---	--	--

Note: for the English version of the Regulations Governing Domestic Branches of Financial Institutions go to :

<https://law.moj.gov.tw/Eng//LawClass/LawContent.aspx?pcode=G0380051>

Clauses of the Real Estate Securitization Act amended (announced 2017.12.6)

Partial amendment of the Clauses of the Real Estate Securitization Act was announced on December 6, 2017, aiming to adjust the responsibility assignment of each participating institution and protect the rights and interests of beneficiaries. The key points of the amendments :

Regulations	Article	Key points of amendments
Clauses of the Real Estate Securitization Act (announced 2017.12.6)	Article 46-1 amended	Stipulates that, in the event the prospectus or investment memorandum contains false information or omissions in its material contents, the participating parties, within the scope of their responsibilities, shall be held jointly liable with the trustee for damages sustained by bona fide counterparties therefrom. Except for the trustee, the participating parties mentioned in each Subparagraph of the preceding Paragraph, within the scope of their responsibilities, are exempted from the liability for damages, provided they could show that they have exercised due diligence for the part of the prospectus or investment memorandum.

Note: For the English version of the Clauses of the Real Estate Securitization Act go to :

<https://law.moj.gov.tw/Eng/LawClass/LawContent.aspx?PCODE=G0380169>

Regulations Governing the Standards for Information System and Security Management of Electronic Payment Institutions amended (announced 2017.12.28)

Partial amendment of the Regulations Governing the Standards for Information System and Security Management of Electronic Payment Institutions was announced on December 28, 2017 to meet the business requirements of mobile payment development and new technology utilization and increase the convenience of payment services by e-payment institutions while paying attention to the security of funds transfer. The key points of the amendments :

Regulations	Articles	Key points of amendments
Regulations Governing the Standards for Information System and Security Management of Electronic Payment Institutions (announced on 2017.12.2)	Articles 5, 7, 9, 10, 10-1, 14 and 24 amended	<ol style="list-style-type: none"> 1. Added ID confirmation method for logging into e-payment platforms. (Article 5) 2. Added “indirect verification” biometrics security design method. (Article 7) 3. User allowed to directly carry out payment after logging in to an e-payment platform. (Article 7) 4. E-payment platform mobile device application program

		security design related requirements amended and specified that design must meet mobile device application program related self-regulation requirements set by the Bankers Association. (Article 10)
--	--	--

Note: For the English version of the Regulations Governing the Standards for Information System and Security Management of Electronic Payment Institutions go

to: <https://law.moj.gov.tw/Eng/LawClass/LawHistory.aspx?PCode=G0380243>

The Banking Act of the Republic of China amended (announced 2018.1.31)

Amendment of The Banking Act of the ROC was announced on January 1, 2018, with five articles amended and one new one added. The aim of these changes is to encourage FinTech innovation and make bank operations sounder.

The key points of the amendments :

Regulations	Articles	Key points of amendments
The Banking Act of the ROC (announced)	Articles 125, 125-2~125-4 and 136-1 amended; Article 22-1 added.	1. The provisions of this Act do not apply to banking innovative experiments applied for under the Financial Technology Development and Innovative Experimentation Act during the period and scope of experimentation approved by the competent authority. (Article 22-1) 2. In line with the new confiscation

		system in Criminal Law, regulations related to confiscation, collection and compensation amended or deleted. (Articles 125, 125-2-1254, 136-1)
--	--	--

Note: for the English version of The Banking Act of The Republic of China go to :

<https://law.moj.gov.tw/Eng/LawClass/LawContent.aspx?PCODE=G0380001>

The Act Governing Electronic Payment Institutions amended (announced 2018.1.31)

Amendment of Article 3-1 of The Act Governing Electronic Payment Institutions was announced on January 31, 2018, adding Article 3-1, with the aim of promoting financial inclusion and development of Fintech. The key points of the amendment :

Regulations	Articles	Key points of amendments
The Act Governing Electronic Payment Institutions(announced 2018.1.31)	Article 3-1 added	The provisions of this Act do not apply to e-payment institution business innovative experiments applied for under the Financial Technology Development and Innovative Experimentation Act during the period and scope of experimentation approved by the competent authority. (Article 3-1)

Note: for English version of The Act Governing Electronic

Payment Institutions go to :

<https://law.moj.gov.tw/Eng/LawClass/LawContent.aspx?PCODE=G0380237>

Act Governing Issuance of Electronic Stored Value Cards amended (announced 2018.1.3)

Amendment of the Act Governing Issuance of Electronic Stored Value Cards was announced on January 3, 2018, adding Article 5-2, with the aim of promoting financial inclusion and development of Fintech. The key points of the amendment :

Regulations	Articles	Key points of amendments
Act Governing Issuance of Electronic Stored Value Cards (amended 2018.1.3)	Article 5-2 added	The provisions of this Act do not apply to electronic stored value card innovative experiments applied for under the Financial Technology Development and Innovative Experimentation Act during the period and scope of experimentation approved by the competent authority. (Article 5-2)

Note: for the English version of the Act Governing Issuance of Electronic Stored Value Cards go to :

<https://law.moj.gov.tw/Eng/LawClass/LawContent.aspx?PCODE=G0380207>

Trust Enterprise Act amended (announced 2018.1.31)

Amendment of the Trust Enterprise Act was announced on January 31, 2018, amending five articles and adding one new on, with the aim of encouraging FinTech innovation and making trust enterprise operation sounder. The key points of the amendments :

Regulations	Articles	Key points of amendments
Trust Enterprise Act amended (announced 2018.1.31)	Articles 48~48-3, 58-1 amended; Article 3-1 newly added	<ol style="list-style-type: none"> 1. The provisions of this Act do not apply to trust business innovative experiments applied for under the Financial Technology Development and Innovative Experimentation Act during the period and scope of experimentation approved by the competent authority. (Article 3-1) 2. In line with the new confiscation system in Criminal Law, regulations related to confiscation, collection and compensation amended or deleted. (Articles 48~48-3, 58-1)

Note: for English version of the Trust Enterprise Act go to :

<https://law.moj.gov.tw/Eng/LawClass/LawContent.aspx?PCODE=G0310027>

Regulations Governing Foreign Currency Bond Brokerage, Proprietary Trading, and Investment by Bills Finance Companies amended (announced 2018.2.13)

Amendment of Article 8 of the Regulations Governing Foreign Currency Bond Brokerage, Proprietary Trading, and Investment by Bills Finance Companies was announced on February 13, 2018, removing the cap on foreign currency risk of US\$50 million to facilitate the development of foreign currency trust business by bills finance companies. The key points of the amendments :

Regulations	Articles	Key points of amendments
Regulations Governing Foreign Currency Bond Brokerage, Proprietary Trading, and Investment by Bills Finance Companies (announced 2018.2.1)	Articles 8 amended	Regulation limiting foreign currency risk to US\$50 million deleted (foreign currency risk refers to the net position after foreign exchange liabilities are subtracted from foreign exchange assets plus financial derives position.)

Note: for the English version of Regulations Governing Foreign Currency Bond Brokerage, Proprietary Trading, and Investment by Bills Finance Companies go to :

<https://law.moj.gov.tw/Eng/LawClass/LawContent.aspx?PCODE=G0380202>

Regulations Governing Foreign Bank Branches and Representative Offices amended (announced 2018.3.31)

Amendment of Article 14 and Article 19-3 of the Regulations Governing Foreign Bank Branches and Representative Offices was announced on March 31, 2018, raising the ceiling on the amount of NT\$ credit a branch of a foreign bank

can extend to a single customer and total loan balance and net value multiples.

The key points of the amendments :

Regulations	Articles	Key points of amendments
Regulations Governing Foreign Bank Branches and Representative Offices (announced 2018.3.31)	Article 14 and 19-3 amended	<ol style="list-style-type: none"> 1. The limit on NT\$ credit extended by a foreign bank branch to a single person, single interested party or single affiliated enterprise of NT\$7 billion amended to NT\$7 billion or double the net value of the foreign bank branch, whichever highest. (Article 14). 2. The regulation that the total loan balance of a foreign bank branch that do not meet certain requirements for natural person deposit business must not exceed 30 times the net value of the branch after close of accounts in the previous accounting year amended to 40 times. (Article 19-3)

Note: for the English version of Regulations Governing Foreign Bank Branches and Representative Offices go to :

<https://law.moj.gov.tw/Eng/LawClass/LawAll.aspx?PCode=G0380126>

Securities and Futures

Regulations Governing Securities Firms Accepting Orders to Trade Foreign Securities amended (announced 2017.10.6)

Considering the high net worth juristic person corporate investors have large financial product trading demands, and their scale of assets, ability of risk tolerance, professional financial knowledge, and investment experiences are comparable to professional institutional investors. Therefore, high net worth juristic person investors have been added and, as in the case of professional institutional investors, the account opening process for high net worth juristic person investor and other related operations have been simplified.

Also, in order to increase investor convenience and reduce settlement risk, to allow a securities firm to, with the consent of the principal, keep settlement money for purchase orders and from sale orders that the principal has designated be made in a foreign currency, or receivables yielded by foreign securities held by the principal, in a segregated foreign currency account opened with the securities firm's correspondent designated foreign exchange bank in the Republic of China, amendments to the Regulations Governing Securities Firms Accepting Orders to Trade Foreign Securities were announced on October 6, 2017, with nine articles amended; The key points of the amendments :

Regulations	Article	Key points of amendments
Regulations Governing Securities Firms Accepting Orders to Trade Foreign Securities	Articles 3,8~10,14,19, 21,24-25 amended	1. High net worth juristic person investors added and the provisions of the Regulations Governing Offshore Structured Products apply; also, to enhance KYC to protect the rights and interests of customers, a provision has been added requiring a securities firm to

<p>(announced 2017.10.6)</p>		<p>incorporate its assessment of a professional investor with his adequacy of professional knowledge or trading experience with respect to financial products into its KYC system and adopted by the board of directors; however, when a foreign securities firm's branch in Taiwan has no board of directors, the assessment shall be approved by the person in charge in Taiwan. (Article 3)</p> <p>2. For the contracts signed between securities firms and high net worth juristic person investors for trading, in line with professional institutional investors, the matters to be recorded can be decided by the two parties according to business needs. (Article 8)</p> <p>3. In line with the Ministry of the Interior's resident policy reforms, a provision has been added allowing Alien Resident Certificate and Alien Permanent Resident Certificate to be used as ID documents by natural persons. Also, to meet practical business needs of securities firms and facilitate compliance by securities firms a provision has been</p>
----------------------------------	--	---

		<p>added stipulating that when an account is opened online or by other electronic means, securities firms can temporarily not retain a seal or signature sample and can retain when the principal consigns in person or by fax. (Article 9)</p> <p>4. When a high net worth juristic person investor opens an account, a securities firm, as in the case of professional institutional investors, does not need to dispatch a staff member to explain or sign a risk notification. Also, in response to the digital financial environment and to increase the service effectiveness of securities firms, a provision has been added stipulating that the Securities Association will set related procedures for explanation of risk by securities firms by electronic means. (Article 10)</p> <p>5. To allow investors to sign recommendation contracts or terminate recommendation contracts quickly and easily, it is stipulated that letter or electronic means can be used to confirm that the applicant is the investor in person and their intention (Article 14)</p> <p>6. When a securities firm accepts orders to</p>
--	--	--

		<p>trade foreign securities, the trading information of the transaction can be conveyed to the consigner by fax, SMS, voicemail or webpage program etc. as well as by phone and email. (Article 19)</p> <p>7. After gaining consent of the principal, a securities firm can leave the funds for delivery of foreign securities trading collection and payment that the principal has instructed should be in foreign currency or receivables arising from foreign securities held in the client foreign currency special account the securities firm has opened at its corresponding bank; apart from handling payments for the principal, the securities firm should not use these funds. The qualifying requirements, operating procedures and related control etc. shall be set by the FSC after discussion with the Central Bank for the aforementioned securities firms. (Article 21)</p> <p>8. When a securities firm accepts an order to trade foreign securities it can only terminate the contract and cannot cancel it, therefore the related text has been amended (Article 24)</p>
--	--	--

		<p>9. The data or research report on the securities market, industry or individual security provided to high net worth juristic person investors by securities firms, as in the case of professional institutional investors or foreigners, does not have to be translated into Chinese.</p> <p>(Article 25)</p>
--	--	--

Note: for English version of Regulations Governing Securities Firms Accepting Orders to Trade Foreign Securities

<http://eng.selow.com.tw/LawArticle.aspx?LawID=FL007039&ModifyDate=1061006>

Regulations Governing Securities Firms amended (announced 2017.12.5)

Amendment of the Regulations Governing Securities Firms was announced on December 5, 2017, amending nine articles and adding one new one, 10 articles amended in all. The aim of the changes is to increase securities firms' international competitiveness, their flexibility of fund use and efficiency of capital utilization, the flexibility of use of client ledgers established under securities firms' delivery accounts by investors, and loosen financial requirements for securities firms conducting financial derivatives business in their business premises. The key points of the amendments :

Regulations	Article	Key points of amendments
Regulations Governing Securities Firms (announced 2017.12.5)	Articles 13,14,1919-3, 19-4,19-6,19-7,38、52-1 and 53 amended	1. To increase securities firms' international competitiveness, increase their flexibility of fund use and efficiency of capital utilization, the total debts to net worth ratio that securities firms may not exceed

		<p>relaxed. (Article 13)</p> <p>2. Amended the usage purpose of special reserve. The special reserve shall not be used for purposes other than covering the losses of the company or, when the accumulated special reserve reaches 25% of the amount of paid-in capital, the portion in excess of 25% of paid-in capital may be used for capitalization. (Article 14)</p> <p>3. To cope with the needs of securities firm development, provision added stipulating that the execution and hedge operation of a security firm in connection with financial derivatives may be excluded from the calculation of limit of holding equity securities issued by related parties. (Article 19)</p> <p>4. Referring to Regulations Governing the Issuance of Call (Put) Warrants by Issuers, loosened the financial abilities and qualifications of a securities firm to operate derivative financial product trading business at its business premises.</p> <p>5. Referring to Regulations Governing Foreign Exchange Business of Securities Enterprises, provision added that, when a</p>
--	--	--

		<p>securities firm operates derivative financial product trading business, where foreign exchange settlement is required for customer payment of funds, it may also be carried out by the customer at the same securities firm that conducts spot foreign exchange trading business. (Article 19-4)</p> <p>6. Referring to Regulations Governing Internal Operating Systems and Procedures for Banks Conducting Financial Derivatives Business, the review of securities firm operation of derivative financial product trading business and related regulations strengthened, and related application procedure stipulated. (Article 19-6, 19-7)</p> <p>7. To increase the flexibility of investor in using the securities firm's account ledgers for each customer in the settlement account, amendment introduced changing current account to deposit account for paying and receiving settlement funds of the customer when accepting orders to trade securities (Article 38)</p>
--	--	---

		<p>8. Provisions newly added stipulating that securities firms can apply to the FSC for approval of an increase in the amount of investment in an overseas enterprise, and stipulating the time point for reporting to the FSC when the securities firm's overseas business has a material event.</p> <p>(Articles 52-1, 53)</p>
--	--	--

Note: for the English version of Regulations Governing Securities Firms go to: <http://eng.selow.com.tw/LawArticle.aspx?LawID=FL007530&ModifyDate=1061205>

Securities and Exchange Act amended (announced 2018.1.31)

Amendment of the Securities and Exchange Act was announced on January 31, 2018, with two articles amended and one newly added. The aim is to encourage Intech innovation and make securities firm business operations sounder. The key points of the amendments :

Regulations	Article	Key points of amendments
Securities and Exchange Act (announced 2018.1.3)	Articles 171, 172 amended; Article 44-1 added; Article 174-2 deleted.	1. The provisions of this Act do not apply to securities business innovative experiments applied for under the Financial Technology Development and Innovative Experimentation Act during the period and scope of experimentation approved by

		<p>the competent authority. (Article 44-1)</p> <p>2. In line with the new confiscation system in Criminal Law, regulations related to confiscation, collection and compensation amended or deleted. (Articles 171 and 172 amended, Article 174-2 deleted)</p>
--	--	---

Note: for the English version of the Securities and Exchange Act go to <http://db.lawbank.com.tw/Eng/FLAW/FLAWDAT01.asp?lsid=FL007009>

Securities Investment Trust and Consulting Act amended (announced 2018.1.3)

Amendment of the Securities Investment Trust and Consulting Act was announced on January 31 2018, with seven articles amended and three newly added, for a total of 10 articles. The changes aim to encourage FinTech innovation, increase domestic asset management competitiveness, make securities investment trust business (hereafter referred to as investment trust business) and securities investment consulting business (hereafter referred to as investment consulting business) operations sounder, and enhance supervision of related personnel. The key points of amendments :

Regulations	Articles	Key points of amendments
Securities Investment Trust and Consulting Act	Articles 11, 17, 30, 62,105, 108, 11	1. To encourage FinTech innovation, Taiwan has enacted the Financial Technology Development and Innovative Experimentation Act, allowing innovative

<p>(announced 2018.1.3)</p>	<p>amended; Articles 6-1, 16-1, 105-1 added.</p>	<p>experimentation involving financial products or services after approval; the Act also applies to securities investment trust, securities consulting and discretionary investment businesses. It is stipulated that the regulations of this act shall not apply during the approved period and scope of experimentation. (Article 6-1)</p> <p>2. The number of investors of private securities investment trust funds has been increased from 35 to 99. (Article 11)</p> <p>3. The assets that investment trust enterprises and investment consulting enterprises obtain according to regulations in their own name as investor should be kept separate and independent of the enterprise's self-owned assets; with respect to debts of self-owned assets, creditors should make no claim or exercise any right with respect to the aforementioned assets and related penalties have been added. (Article 16-1 and 11)</p> <p>4. To simplify the investment trust enterprise investment process, the provision requiring a standard written report for investment or trading has been deleted and an amendment made so that the investment or trading process shall be regulated by an investment</p>
-----------------------------	--	---

		<p>trust enterprise's internal control system. (Article 17)</p> <p>5. The regulation requiring securities investment trust fund current assets ratio to be set by the Ministry of Finance has been deleted. (Article 30)</p> <p>6. Discretionary investment clients that meet certain requirements shall be exempted from the provisions regarding the signing of a mandate or trust contract. (Article 62)</p> <p>7. Criminal liability for investment trust enterprise and consulting enterprise employees who engage in behavior that violates their duties stipulated. (Article 105-1)</p> <p>8. In coordination with the new confiscation system of Criminal Law, regulations related to confiscation, collection and compensation have been amended or deleted. (Articles 105 and 108)</p>
--	--	--

Note: For English version of the Securities Investment Trust and Consulting Act o to :

<http://eng.selaw.com.tw/LawArticle.aspx?LawID=FL030633&ModifyDate=1070131>

Futures Trading Act amended (announced 2018.1.31)

Amendment of Article 5-1 of the Futures Trading Act was announced on January 31, 2018, aiming to promote financial inclusion and FinTech

development. The key points of the amendment :

Regulations	Articles	Key points of amendments
Futures Trading Act (announced 2018.1.31)	Article 5-1 added	The provisions of this Act do not apply to futures business innovative experiments applied for under the Financial Technology Development and Innovative Experimentation Act during the period and scope of experimentation approved by the competent authority.(Article 5-1)

Note: For the English version of the Futures Trading Act go to: <http://db.lawbank.com.tw/Eng/FLAW/FLAWDAT01.asp?lsid=FL007731>

Insurance industry

Point 7 of Required Qualification and Directions for Life Insurance Companies to Engage in Foreign-currency Denominated Non-investment-linked Life Insurance Business amended (announced 2017.12.25)

Partial amendment of the Required Qualification and Directions for Life Insurance Companies to Engage in Foreign-currency Denominated Non-investment-linked Life Insurance Business was announced on December 25, 2017; regulations on sales limit were deleted and business operators required to control risk and bring risk control into their internal audit system. The aim of the amendment is to increase the market scale of RMB collection and payment non-investment-linked personal insurance business handled by insurers and to stimulate product innovation. The key points of the amendments :

Regulations	Articles	Key points of amendments
Required Qualification	Articles 7	Considering that RMB clearance

<p>and Directions for Life Insurance Companies to Engage in Foreign-currency Denominated Non-investment-linked Life Insurance Business (announced 2017.12.25)</p>	<p>amended</p>	<p>channels have become increasingly diverse since this business was opened up, to increase market scale and stimulate product innovation, regulations on sales limit in Subparagraph 3 of Paragraph 3 and Paragraph 4 are deleted. When handling this business, business operators must still, in accordance with Subparagraph 1 of Point 10 of these regulations and order Jin Guan Bao Cai Zi No. 10002517821 issued on January 5, 2012, include RMB asset and liability coordination and other risk control measures in internal control and internal audit items, and handling procedure for related internal control operations set.</p>
---	----------------	--

Note: For the English version of Required Qualification and Directions for Life Insurance Companies to Engage in Foreign-currency Denominated Non-investment-linked Life Insurance Business go to

<http://db.lawbank.com.tw/Eng/FLAW/FLAWDAT01.asp?lsid=FL043962>

Regulations Governing Use of Insurer's funds in Special Projects, Public Utilities and Social Welfare Enterprises amended (announced 2017.12.29)

Partial amendment of the Regulations Governing Use of Insurer's funds in Special Projects, Public Utilities and Social Welfare Enterprises was announced on December 29, 2018. The aim is to, in line with government policy, encourage

the channeling of insurance industry funds into the 5+2 innovative industries including long-term care, public construction and green energy technology, Asia Silicon Valley, bio-medicine, national defense industry, smart machinery, new agriculture and the circular economy, increase the channels available for use of insurers’ funds, increase funds’ use efficiency and simplify operating procedures, while, at the same time, paying attention to protecting consumer rights and interests and insurance industry investment risk. They key points of the amendment :

Regulations	Articles	Key points of amendments
Regulations Governing Use of Insurer's funds in Special Projects, Public Utilities and Social Welfare Enterprises (announced 2017.12.29)	Articles 5,7 and 10 amended	<p>1. In alignment with type of domestic long-term care businesses that have been opened up to investment of insurers’ funds and in alignment with the orders Jin Guan Zheng Tou Zi No. 1060009113 and Jin Guan Bao Cai Zi No. 10602104511 issued on August 3 and October 17 respectively, insurers are allowed to invest in long-term care institutions established according to relevant laws and can, as limited partner, invest in other limited partnership enterprises that meet the requirements of the competent authority (Article 5 amended), and the cap for investment in the aforementioned investment targets stipulated (Article 7 amended)</p> <p>2. In order to increase the efficiency for an</p>

		insurer to use its funds for a special project or public utilities and simplify the operating procedure, the conditions for an insurer to apply subsequent reviews by the competent authority stipulated; the conditions for the invested limited partnerships listed in Paragraph 2 of Article 5 adopting subsequent review , and the applicable threshold set; the threshold for adopting subsequent review for its investment in venture capital enterprises relaxed. (Article 10 amended)
--	--	---

Note: For the English version of the Regulations Governing Use of Insurer's funds in Special Projects, Public Utilities and Social Welfare Enterprises go to : <https://law.moj.gov.tw/Eng/LawClass/LawAll.aspx?PCode=G0390053>

Insurance Act amended (announced 2018.1.31)

Amendment of the Insurance Act was announced on January 31, 2018, with four articles amended and one newly added, five articles in all. The changes are intended to encourage FinTech innovation and make insurance firm operations sounder. The key points of the amendments :

Regulations	Articles	Key points of amendments
Insurance Act (announced 2018.1.31)	Articles 167, 168-2-168-4 amended. Article 136-1 newly added.	1. The provisions of this Act do not apply to insurance business innovative experiments applied for under the Financial Technology Development and Innovative Experimentation

		<p>Act during the period and scope of experimentation approved by the competent authority. (Article 136-1)</p> <p>2. In line with the new confiscation system in Criminal Law, regulations related to confiscation, collection and compensation amended or deleted. (Articles 167, 168-2~168-4)</p>
--	--	---

Note: For the English version of the Insurance Act go to:

<https://law.moj.gov.tw/Eng/LawClass/LawContent.aspx?PCODE=G0380001>

Financial Technology

Financial Technology Development and Innovative Experimentation Act announced (announced 2018.1.3)

The Financial Technology Development and Innovative Experimentation Act was announced on January 31 2018; the aim is to encourage the domestic financial services industry and related industries to apply innovative technology to enhance the accessibility, practical usefulness and quality of finance. The Act establishes a FinTech innovative experimentation mechanism, giving legal exemption from related administrative regulations within the scope and period of an innovative experimentation, providing financial services industry and related industry companies a safe environment for carrying out FinTech R&D trials, while considering financial market order and consumer protection. The Act has 27 articles. The key points of the Act :

Regulations	Articles	Key points
<p>Financial Technology Development and Innovative Experimentation Act (announced 2018.1.3)</p>	<p>The Act has 27 articles</p>	<ol style="list-style-type: none"> 1. The definition of innovative experimentation referred to in this Act. (Article 3) 2. Innovative experimentation application qualifying requirements, application documents, review meetings, items for consideration, review decision process, innovative experimentation period, application for change of experimentation and disclosure on the competent authority' website of related information. (Articles 4 to 11) 3. Matters including time limit for start of experimentation, information security, innovative experimentation supervision measure, cancellation of approval and assessment of results of innovative experimentation. (Articles 12-16) 4. When an innovative experiment is innovative and will benefit development of financial services, considering the experimentation handling situation, the competent authority can help with the conducting of this kind of business by reviewing the need to revise related regulations, assisting with business

		<p>startup or strategic cooperation and referral for guidance etc. When an applicant is a financial business operator that needs to adjust business qualifications to apply to conduct an innovative experimentation, an application to continue an innovative experimentation can be made. (Article 17)</p> <p>5. The competent authority must have a dedicated unit to handle innovative experimentation applications, review and assessment etc. and the competent authority is authorized to set rules for innovative experimentation application procedure, review criteria and other matters. (Articles 18 and 19)</p> <p>6. No fees will be charged for application, review and approval of innovative experimentation under this Act. (Article 20)</p> <p>7. The responsibilities of the applicant to participants, to protect the rights and interests of participants and the requirement that the provisions of the Personal Information Protection Act are met. Complaints or disputes arising</p>
--	--	--

		<p>from experimentation participants shall be handed by the Financial Ombudsman Institution and a service fee collected from the applicant; the applicant should accept an appraisal decision under a certain amount. (Articles 21-25)</p> <p>8. After discussion with and gaining consent from other agencies (institutions) the competent authority can, on a case by case basis, exempt application of related regulations orders or administrative rules in part or in whole to the innovative experimentation, with criminal and administrative liability of finance related laws also not applicable. (Article 25 and 26)</p>
--	--	---

Note: for the English version of the Financial Technology Development and Innovative Experimentation Act go to :

<http://db.lawbank.com.tw/Eng/FLAW/FLAWDAT01.asp?lsid=FL087539>

Regulations Governing Financial Technology Innovative Experimentation announced (announced 2018.4.27)

The 24-article Regulations Governing Financial Technology Innovative Experimentation were announced on April 27, 2018, stipulating innovative experimentation application procedure, review criteria, rejections reasons, experimentation scale, measures for protecting innovative experimentation participants and related supervision and administrative regulations. The aim is to

provide a complete FinTech innovative experimentation mechanism and give review of innovative experimentation a unified standard. The key points of the Regulations :

Regulations	Articles	Key points
<p>Regulations Governing Financial Technology Innovative Experimentation (announced 2018.4.27)</p>	<p>The Regulations have 24 articles</p>	<ol style="list-style-type: none"> 1. Regulations for innovative experimentation application, extension and change set. (Articles 2-4) 2. Stipulates review criteria including innovative experimentation scale, innovativeness, increase in financial service efficiency, lowering of operating and usage costs or raising the level of protection of consumer and enterprise rights and interests, assessment of risk, establishing of consumer protection measures and other assessment matters. (Articles 5-10) 3. Matters that innovative experimentation plan withdrawal mechanism should include are stipulated. (Article 11) 4. Reasons competent authority can reject an innovative experimentation application set. (Article 12) 5. The measures to protect participants, compensation mechanism, risk

		<p>management mechanism, conflict of interest control measures, and dispute handling mechanism when handling an innovative experimentation that the applicant must establish, and the matters that the contract between applicant and participants must contain, stipulated. (Articles 13-17)</p> <p>6. It is stipulated that applicants shall ensure the security of information of the innovative experimentation and establish a participant notification and damage compensation mechanisms to respond to third-party's intrusion in information system. (Article 18).</p> <p>7. Matters that should be adhered by the applicant when executing the withdrawal mechanism stipulated. (Article 19)</p> <p>8. The applicant should provide a regular report to the competent authority as requested and, if a specified situation occurs, provide an exceptional report. The competent authority can set a time limit for provision of information by the applicant. (Articles 20-22)</p> <p>9. The competent authority may send</p>
--	--	--

		people to conduct an onsite visit; an applicant shall provide relevant data and explanations in coordination with the needs of the onsite visit conducted by the competent authority (Article 23)
--	--	---

Note: For the English version of the Regulations Governing Financial Technology Innovative Experimentation go to :

<http://db.lawbank.com.tw/ENG/FLAW/FLAWDAT01.asp?lsid=FL088274>

Regulations on Guiding and Assisting Financial Technology Development announced (announced 2018.7.2)

Developing FinTech is an important strategy of many countries to increase national competitiveness. To provide a friendly environment for developing FinTech and encourage the use of technology to innovate financial products, the Regulations on Guiding and Assisting Financial Technology Development were formulated and announced on July 2, 2018 to facilitate the R&D of innovative FinTech applications, The Regulations have 10 articles. The key points are :

Regulations	Articles	Key points
Regulations on Guiding and Assisting Financial Technology Development (announced 2018.7.2)	The Regulations have 27 articles	<ol style="list-style-type: none"> 1. Stipulates, for the purposes of encouraging the use of technology to develop innovative financial products and services, the competent authority may take measures to guide financial institutions, companies, groups and individuals that use innovative technology to provide financial services. (Article 2-3) 2. Stipulates that the competent authority

		<p>shall establish or guide the establishment of a physical cluster for FinTech development and provide suitable office space and rent reduction/exemption, and assist with the establishment of a FinTech digital sandbox mechanism and theme innovation lab to facilitate innovative R&D by FinTech innovators. (Articles 5-7)</p> <p>3. Stipulates that the competent authority should hold forums regularly, inviting representatives of relevant government agencies and fintech innovators to attend and stimulating suggestions or counseling on financial technology development related matters. (Article 9)</p> <p>4. Stipulates that, for the purpose of strengthening the information security of financial technology infrastructure and technological applications, the competent authority may provide guidance to fintech innovators on joining the Financial -Information Sharing and Analysis Center and assisting in the provision of information security counseling service. (Article 10)</p> <p>5. Stipulates, to provide guidance to fintech</p>
--	--	---

		<p>innovators on evaluating whether it is necessary to apply for approval to undertake an innovative experimentation and preparing the application documents, the competent authority should hold public briefings on laws and regulations regarding innovative experimentation and provide counseling services for individual FinTech innovators upon their requests. A FinTech innovator that has received guidance from the competent authority on applying for innovative experimentation may not use the fact as publicity that certain application items have been confirmed or that the value of an innovative experimentation is guaranteed. (Article 13)</p> <p>6. Stipulates that the competent authority may provide a counseling mechanism for staged incubation, depending on the development stage of the FinTech innovators. (Article 14)</p> <p>7. Stipulates that the competent authority may coordinate the designation of an executive institution to undertake the establishment, operation and management of FinTech Space. (Article</p>
--	--	---

		<p>15)</p> <p>8. Stipulates that the executive institution shall draw up the processes for FinTech innovators to apply for the use of FinTech Space offices and the financial technology digital sandbox platform, review criteria, use period, rent reduction guidelines, use rules, and exclusions; and for the review and selection of tenants, the competent authority or executive institution shall set up a review committee to review the applications.</p> <p>(Article 16)</p>
--	--	---

Note: for the English version of the Regulations on Guiding and Assisting Financial Technology Development go to :

<http://db.lawbank.com.tw/Eng/FLAW/FLAWDAT01.asp?lsid=FL088791>

International financial agreement cooperation results

FSC

Banking supervision cooperation document signed with the Reserve Bank of India (RBI) (2017.9.5)

With the aim of enhancing bilateral financial supervision information exchange and supervisory cooperation, after a number of years of discussion, the FSC and the Reserve Bank of India (RBI) signed a banking supervision cooperation document on September 5, 2017; the contents include: information exchange, home country competent authority informing the host country competent authority before going to its cross-border offices for a visit or onsite

inspection, and information confidentiality. By establishing supervision cooperation relations between the competent authorities of the home country and the host country, cross-border financial supervisory cooperation between Taiwan and India can be deepened.

Financial supervision cooperation MOU signed with Poland's KNF (2017.10.10)

The FSC signed an MOU with the Polish Financial Supervision Authority (KFN) on October 10, 2017, with the aim of enhancing bilateral financial supervision information exchange and supervisory cooperation; the content includes foreword, definition, scope, cooperation scope, method for assisting with implementation, information sharing, information confidentiality and MOU revision and termination clauses, and other clauses. The building of bilateral supervisory cooperative relations between the competent authorities of the two sides can strengthen Taiwan and Poland's cross-border financial supervisory cooperation.

FSC signs insurance supervisory cooperation MOU with the Philippines Insurance Commission (2017.12.10)

The FSC signed an MOU with the Insurance Commission, on December 10, 2018 with the aim of enhancing bilateral cooperation with respect to exchange of financial supervisory information and supervision; the contents include a foreword, scope of bilateral cooperation, on-site inspection, information sharing, information confidentiality, revision and termination of the MOU, and other clauses. The building of bilateral supervisory cooperative relations between the competent authorities of the two sides can strengthen Taiwan and the Philippines' cross-border financial supervisory cooperation.

FSC signs FinTech cooperation agreement with Poland's KNF (2018.3.6)

In March, 2018, the FSC signed a FinTech cooperation agreement with the

Polish Financial Supervision Authority (KNF). The aim is to promote bilateral Fintech cooperation, and create more opportunities for FinTech business operators in Taiwan and Poland. The contents of the Agreement include a bilateral supervisory authority referral mechanism, information sharing and potential joint innovation plans. Following the signing, the two sides can refer startups to their counterpart on the basis of the Agreement, provide support to allow the regulatory regime in each jurisdiction to be better understood, and share related information on their respective markets and innovations in financial services.

Central Deposit Insurance Corporation signs and renews insurance cooperation MOU with Zimbabwe and Thailand, respectively (2018.2 and 2018.8)

The Central Deposit Insurance Corporation signed a cooperation MOU with Zimbabwe's Deposit Protection Corporation (DPC) in February 2018. In future, the CDIC will continue to conduct exchange of information and personnel with the DPC, share professional skills and experience, with the aim of bringing about improvements on both sides with respect to deposit insurance and upgrading the function of protecting the rights and interests of depositors. The CDIC's cooperation MOU signed with Thailand's Deposit Protection Agency (DPA) expired on April 9, 2018. Both sides renewed the MOU in August, 2018 to continue their bilateral relationship.

DPC, DPA and the CDIC are all members of the International Association of Deposit Insurers (IADI,) with the CEO of the DPC Mr. John M. Chikura the IADI's CFO and chairman of its Africa Committee. The cooperation signed between Taiwan and Zimbabwe and Thailand both meet the requirements with respect to cross-border information sharing of the IADI Core Principles for Effective Deposit Insurance Systems announced in November, 2018. In future,

the CDIC will continue to enhance exchange of information and professional experience on the basis of the MOU signed with the DPC and DPA to enhance Taiwan's deposit insurance mechanism.

FSC peripheral units

Joint Credit Investigation Center signs Asia Credit Reporting Network cooperation MOU with five other Asian credit reporting agencies(2017.12.13)

The Asia Credit Reporting Network (ACRN,) is an exchange platform that Taiwan's JCIS and credit reporting institutions in South Korea and Thailand (Korea Credit Information Service, and National Credit Bureau of Thailand) with the same objective and similar nature (non-profit) formed a work group for and promoted the establishment of. Its aim is to enhance exchange and cooperation between credit reporting institutions in Asia, promote the holding of an Asia region credit reporting institution same-industry questionnaire survey, and regularly hold an Asia meeting to engage in exchange of opinions, cooperation and technical exchange from an Asia perspective with respect to issues of common concern. The first ACRN assembly was held in Seoul, South Korea on December 13, 2017. The ACRN MOU was signed by the heads of Taiwan's JCIC, South Korea's KCIS, Thailand's NCB, Japan's Credit Information Center, Vietnam's Credit Information Center, and Nepal's Credit Information Bureau.

Taipei Foundation of Finance signs cooperation agreement with Association of Certified Anti-Money Laundering Specialists (ACAMS) (2018.2.9)

In order to upgrade the development of anti-money laundering and counter-terrorist financing, Taipei Foundation of Finance reached a consensus on long-term cooperation with the ACAMS under the principles of equality, reciprocity, and friendly cooperation. The two sides signed a cooperation

agreement on February 9, 2018 under which ACAMS will assist with establishing the ACAMS Taiwan Chapter to serve as a career development and professional networking platform to increase interaction between related anti-money laundering specialists in Taiwan and internationally, promote the positive development of anti-money laundering and counter terrorist financing education and related training, continue in-depth discussion of anti-money laundering related topics in Taiwan, and establish a contact network for anti-money laundering practitioners.

TWSE signs cooperation MOU with US, Japanese and South Korean exchanges (2017.9 and 2018.3)

TWSE signs cooperation MOU with Nasdaq (2017.9.8)

Taiwan Stock Exchange signed a cooperation MOU with Nasdaq on September 8, 2017 with the aim of deepening bilateral cooperation. In future, on the basis of the MOU, the two sides will be able to pursue cooperation opportunities with respect to market development, mutual promotion assistance, promotion of friendly mutual visits and information exchange etc.

TWSE signs cooperation trilateral MOU with Japan and South Korea

In order to deepen international links and expand the benefits of cooperation, the Taiwan Stock Exchange signed a trilateral cooperation MOU with Japan Exchange Group, Inc. and Korea Exchange Group, Inc. on March 15, 2018. The cooperation items are joint promotion and talent exchange. In future, as cooperation progresses, more cooperation dimensions can be developed.

TWSE signs cooperation MOU with the Belarusian Universal Commodity Exchange (BUCE)

The Belarusian Universal Commodity Exchange (BUCE) was established in the capital of Belorussia, Minsk, in 2004, and it is the country's only commodity exchange; it has three main commodity types: timber products, agricultural

products, and metal products. In future, the two sides can pursue bilateral cooperation opportunities and enhance bilateral cooperation based on the principle of reciprocity and mutual benefit to move towards the objective of promoting market development in Taiwan and Belorussia.

Taiwan Depository and Clearing Corporation signs a cooperation MOU with the Mongolian Securities Clearing House and Central Depository (2017.9.25)

Taiwan Depository and Clearing Corporation signed a cooperation MOU with the Mongolian Securities Clearing House and Central Depository on September 25, 2017 to further strengthen cooperation with international clearing and deposit institutions to respond to the internationalization of the global capital market. Under the MOU, exchange and cooperation with respect to personnel training, information exchange, cross-border business etc. will be enhanced, experience shared, common interests pursued and the development of the capital market of each side promoted.

Results of privatization of government majority-owned financial institutions

The Ministry of Finance administers nine government majority-owned financial institutions, namely Taiwan Financial Holdings Co., Ltd., Land Bank of Taiwan and the Export-Import Bank of the ROC, Mega Financial Holding Company, First Financial Holding Co. Ltd, Huanan Financial Holdings Co. Ltd., Taiwan Cooperative Financial Holding Co., Ltd., Taiwan Business Bank and Chang Hwa Bank; of these, Taiwan Financial Holdings Co., Ltd., Land Bank of Taiwan and the Export-Import Bank of the ROC are 100% wholly-owned state-run enterprises, the remaining enterprises completed privatization before 2005 and have not carried out stock release to reduce equity in the last year.

The three government wholly owned enterprises: Taiwan Financial Holdings Co., Ltd., Land Bank of Taiwan and the Export-Import Bank of the ROC each has a policy mission; Taiwan Financial Holdings' subsidiary Bank of Taiwan handles civil servant and teacher preferential deposit interest rate differential subsidy, Land Bank is a real estate credit specialized bank; Export-Import Bank is a policy specialized bank that promotes foreign trade, required for national economic development. There are at present no plans to privatize these three government majority owned financial institutions.

In accordance with the provisions of Article 2 of the Organic Act Governing the Establishment of the Financial Supervisory Commission, the FSC is in charge of financial market and financial services industry development, supervision, management and inspection; government majority owned financial institutions must all follow the regulations set by the FSC and are not excepted from application of regulations due to the government holding a majority share.