

2014

Report on Taiwan's Ease of Doing Business Reforms



National Development Council, Executive Yuan, R.O.C.

TABLE OF CONTENTS

Overview

Taiwan Completes Year 6 Business Environment Reforms 4

Progress of Reform

Starting a Business 14

Dealing with Construction Permits 22

Getting Electricity 44

Registering Property 54

Getting Credit 64

Paying Taxes 74

Trading Across Borders 84

Enforcing Contracts 92

Annex

Participants in Writing this Report 122

Overview



Taiwan Completes Year 6 Business Environment Reforms

LOOKING BACK ON FIVE YEARS OF REFORMS

In October 2008, Taiwan launched business environment reforms based on the criteria of the World Bank's Doing Business report, and has advanced them for five consecutive years as of May 2014. Taiwan's global Ease of Doing Business (EoDB) ranking has gone up from 61st in 2008 to 46th in 2009, 33rd in 2010, 25th in 2011, reaching 16th in 2012 and maintaining that ranking in 2013; in all, Taiwan rose 45 places in the rankings in 5 years of reforms (see Figure 1).

Figure 1 **Change in Taiwan's Doing Business ranking in recent years**



Note: The World Bank's Doing Business report began global EoDB rankings in 2005.

Looking back on five years of Taiwan's business environment reforms, it is evident that the increases in administrative efficacy and efforts to improve legislative transparency have received widespread approval from both business and the public at large.

In April 2010, the Executive Yuan promulgated the Procedural Directions on the Conduct an Assessment of Business Environment Reform by Agencies of the

Executive Yuan, under which the Deputy Premier of the Executive Yuan acts as the top level of oversight, Cabinet agencies form an interagency task force, and the National Development Council (formerly the Council for Economic Planning and Development) puts forward reform proposals each year, and coordinates between agencies and evaluates their progress in implementing reforms. The specific reforms carried out over five years are as follows:

Year 1 business environment reforms (2008/2009)

Simplified labor and health insurance enrollment; abolishing the minimum capital requirement for starting a business; terminated the uniform certification system for profit-seeking enterprises; amended the Directions for Reviewing of Work Rules to stipulate the timeframe for review and approval; and instituted electronic filing and payment of business income tax.

Year 2 business environment reforms (2009/2010)

Reduced the administrative procedures and time needed for company registration; amended the Enforcement Rules of the National Health Insurance Act to stipulate the time they would take effect; amended the Directions for Reviewing of Work Rules to prescribed model work rules and specified timeframe for the review and approval; amended the Deed Tax Act to unify the basis for the payment of the deed tax on real property transactions; and amended the Income Tax Act to reduce the profit-seeking enterprise income tax rate.

Year 3 business environment reforms (2010/2011)

Completed the establishment of the Company and Business One-Stop Service Request website; collaborated with the Taipei City Government to establish the One-Stop Counter for Building Permits; streamlined application procedures and

shortened the time needed to get electricity; and instituted measures to make payment of profit-seeking enterprise income tax more convenient.

Year 4 business environment reforms (2011 / 2012)

Coordinated with the Taipei City Government to expand the functions of the One-Stop Counter for Building Permits to include processing of building permit applications for factories, warehouses, and office buildings of up to five stories; amended investor protection provisions in the Company Act and the Securities Exchange Act; and set up a system for online tax withholding from company bank accounts.

Year 5 business environment reforms (2012 / 2013)

Added the online transmission of CPA Capital Audits Certification function to the Company and Business One-Stop Service Request website; re-consolidating the procedures of the One-Stop Counter for Building Permits (For Factories, Warehouses and Office Buildings of Five Stories or Lower); amended the Customs Act to add the source of law for the CPT Single Window.

THE SECOND FOUR-YEAR REFORM PROGRAM

Between October 2008 and May 2012, Taiwan completed the first Four-Year Reform Program. Beginning in June 2012, it launched the second four-year reform program, the core strategy of which is to “enhance the convenience and transparency of doing business in Taiwan, and keep pace with international reform trends.” The goal of Taiwan reaching 10th place in the EoDB rankings by 2016 was also set at that time. The directions of business environment reforms for Taiwan's second four-year reform program are listed in Table 1.

Table 1 **The Agenda of Taiwan's Second Four-Year Reform Program**

Indicator	Agenda
Starting a Business	Implement completely paperless online company startup and increasing the prevalence of the usage of the system among the public.
Dealing with Construction Permits	Refine the functions of the One-Stop Counter for Building Permits for Buildings of Five Stories or Lower to provide more comprehensive integrated services.
Getting Electricity	Implement electricity management mechanisms, improving the safety of connecting to the electric grid.
Registering Property	Integrate property registration and tax payment into a single-window system, making it more convenient for members of the public to register the transfer of real estate ownership.
Getting Credit	Construct a modern system of laws on secured transactions, making it easier for small and medium enterprises to obtain funding.
Protecting Investors	Reduce the difficulty of seeking relief for minority shareholders, and increase oversight of related-party transactions.
Paying Taxes	Continue to streamline measures for the payment of profit-seeking enterprise income tax, making it more convenient for businesses to make tax payments.
Trading Across Borders	Upgrade the functionality of the Customs-Port-Trade(CPT) Single Window system, providing businesses with greater convenience in import-export trade.
Enforcing Contracts	Implement judicial administration reforms to increase the efficiency with which courts handle business contract disputes.
Resolving Insolvency	Provide a single code for company reorganization and insolvency, improving the efficiency with which courts handle debt clearance.

YEAR 6 REFORMS (2013-2014)

Between June 2013 and the end of May 2014, Taiwan completed the year 6 business environment reform program. The main points of reform and amendments to legislation were as follows:

Starting a Business

In concert with the work being done to transition to completely paperless online business startup and the use of electronic signatures for online applications for company registration, Articles 2 and 16 of the Regulations Governing Company Registration and Recognition were amended on April 14, 2014, and online services were updated on April 29, 2014.

Dealing with Construction Permits

On April 25, 2014 the Taipei City Government referred to actual application cases and reviews of the application process to re-amend and announce the Operational Guidelines for the One-Stop Counter for Building Permits (For Factories, Warehouses and Office Buildings of Five Stories or Lower) and the Work Procedures for the One-Stop Counter for Building Permits (For Factories, Warehouses and Office Buildings of Five Stories or Lower), dividing the application process into "Obtaining basic information," "Pre-construction," "Commencement of construction," and "Post-completion," and stipulating that once the One-Stop Counter accepted an application, all administrative procedures are to be completed within 58 working days of submission by the applicant.

Registering Property

In order to streamline the work process for the registration of the sale and transfer of ownership of land and buildings in Taipei City, and increase the efficiency of the registration of real estate transfers, the Taipei City Government announced the Operational Directions for the One-Stop Window Processing of Land and Building Sales by the Taipei City Land Administration and Revenue Authorities on September 18, 2013; on October 1, 2013, Taipei City's land

administration offices (real estate registries) established one-stop windows integrating real estate registration and payment of related taxes .

Getting Credit

Depth of credit information index

In order to enhance the Joint Credit Information Center (JCIC) database by covering sources of credit information other than financial institutions and credit card companies, Taiwan completed the following reforms related to the depth of credit information index:

- February 27, 2014: Taipei Leasing Association database linked to JCIC database
- February 27, 2014: Small and Medium Enterprise Financing Platform database linked to JCIC database
- April 16, 2014: Nationwide Personal Property Secured Transactions Public Inquiry Website database linked to JCIC database

Strength of legal rights index

Integrating 16 property secured transaction registration agencies around Taiwan, the Nationwide Personal Property Secured Transactions Public Inquiry Website (<http://ppstrq.nat.gov.tw/main/query/PropertyQuery/propertyQuery.do>) was completed and began providing online services on March 26, 2014.

In coordination with the Nationwide Personal Property Secured Transactions Public Inquiry Website going online, and to loosen regulations to allow registration of property secured transactions with general descriptions of collateral, amendments to Articles 7 and 14 of the Enforcement Rules of the Personal Property Secured Transactions Act were promulgated on March 26, 2014.

Paying Taxes

In order to reduce discrepancies between legislation on financial accounting and taxation, amendments to the provisions of Article 2, Paragraph 2 of Article 24, Paragraph 1 of Article 36, Article 95, and Article 110 of the Guidelines for the Audit of Income Taxes on Profit-Seeking Enterprises were promulgated on April 9, 2014.

For the purpose of simplifying provisions on the recognition of losses by profit-seeking enterprises and establishing uniform principles for their handling, amendments to Article 38, Article 67, Article 74, Article 95, and Article 99 of the Guidelines for the Audit of Income Taxes on Profit-Seeking Enterprises were promulgated on April 9, 2014.

In order to simplify profit-seeking enterprise income tax reporting, amendments to the format of the 2013 Profit-Seeking Enterprise Income Tax Return and related forms were approved on January 28, 2014.

Trading Across Borders

The CPT Single Window website (<http://portal.sw.nat.gov.tw>) officially went online on August 19, 2013, providing businesses with cross-platform B2G message exchange, online application, information query, tax/duty and fee payment, cargo status tracking, and other services.

The Advance Cargo Information export system (http://acis.customs.gov.tw/Introduction_detail_03.asp) was completed and went online on October 14, 2013. The system went online incrementally, with the sea shipping export system completed on September 2, 2013, the air freight export system completed on September 30, 2013, and the express air freight expedited cargo declaration system completed on October 14, 2013.

Enforcing Contracts

On September 9, 2013, the Judicial Yuan completed the establishment of the Online Prosecution and Lawyer Single Login Portal (<http://portal.ezlawyer.com.tw/Login.do>) portal to begin providing online services, incorporating electronic

transcript reading, court schedule, court session progress and case progress query and other existing services to provide attorneys with a more user-friendly and complete online services interface and prepare for the later introduction of the electronic lawsuit filing system.



Progress of Reform

Starting a Business

Dealing with Construction Permits

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MAIN POINTS OF REFORM IN 2014

The following are the main points of reform and amendments of regulation in regard to starting a business as carried out during the year from June 2013 to May 2014:

Advancing to completely paperless business startup with Taiwan's online company registration facility

In the past, applications for company registration in Taiwan required the submission of an original company registration form stamped with the seals of the company and its responsible officer. Online applications also required subsequent delivery of the original company registration form to the registration authority.

But with effect from April 29, 2014, members of the public can use the Company and Business One-stop Service Request website (<http://onestop.nat.gov.tw/oss/identity/Identity/init.do>) to apply for company registration using an electronic signature. They no longer need to send the relevant forms stamped with the company and responsible officer's seals. Thus, online company startup has become a completely paperless process.

Comprehensively adopting electronic signature for the online submission of company registration applications

On April 14, 2014, Articles 2 and 16 of the Regulations Governing Company Registration and Recognition were amended (as Attachment) to match the advance to paperless online business startup and the comprehensive adoption of electronic signature for online company registration applications.

- A new second paragraph was inserted in Article 2 of the Regulations to stipulate that, if a company needs to alter its registration in paper form after applying for registration via an electronic mail network, it must first submit the application for this alteration with its electronic signature affixed.

- A new second paragraph was inserted in Article 16 of the Regulations to stipulate that, where a company submits a registration application via an electronic mail network, the attached registration form(s) must be in the format prescribed by the competent authority.

Hence, an online application for company registration must be submitted in the format prescribed by the competent authority, and any subsequent application to change registration must be submitted under electronic signature.

Making a company seal is not a required procedure for online company registration applications

As an enhancement to the functions of the Company and Business One-stop Service Request website, the documents submitted for company registration applications no longer need to be affixed with the company or responsible officer's seals.

If, after completing registration, a company considers that there is a need for it to lodge the company and responsible officer's seals with the registering authority, it can attend to this separately.

COMPARISON OF BEFORE AND AFTER REFORM

The 2013 survey

No.	Procedure	Time to complete	Associated costs
1	Use the online application (http://onestop.nat.gov.tw) to search the name, apply for incorporation and tax registration, apply for Labor Insurance, National Health Insurance and Pension Plan Report with the Bureau of Labor Insurance and register for work	7 days	NT\$150 (online search), NT\$300 (government fees) + 0.025% of capital (in case the registration is less than NT\$1,000, the registration fee shall be NT\$1,000)
2	Make a company seal	1 day	NT\$450 (depending on quality of material used, can range from NT\$450 to NT\$1,000)
3	Submit a CPA capital audit report showing that the amount of capital invested is sufficient to cover company establishment cost	2 days	NT\$5,000 to NT\$20,000, fee varies across firms

2014 Reforms and Corrections

No.	Procedure	Time to complete	Associated costs
1	Use the Company and Business One-stop Service Request website (http://onestop.nat.gov.tw) to submit company registration application documents in electronic form with electronic signatures affixed, and to pay applicable fees. This procedure includes application for company name search and approval, application for incorporation and tax registration, application for Labor Insurance and National Health Insurance coverage, registration of work rules, and submission of CPA capital audit report.	7 days	Company name search fee: NT\$150 (online search), NT\$300 (government fees) + 0.025% of capital (in case the registration is less than NT\$1,000, the registration fee shall be NT\$1,000) CPA capital audit fee: NT\$5,000 to NT\$20,000, fee varies across firms

EXPLANATION OF REFORMS AND CORRECTIONS

• **Procedure: 3 procedures combined into one**

With effect from April 29, 2014, members of the public who use the Company and Business One-stop Service Request website to apply for company registration can conduct the whole application process using electronic signatures, without needing to submit or transmit any documents affixed with the company or responsible officer's seal. Thus, the making of a company seal is no longer a procedure or any part of a procedure for starting a business, and this item (previously procedure 2) should not be counted in the survey this year.

By amendment of Articles 7 and 10 of the Company Act, promulgated on January 4, 2012, the submission of a CPA capital audit report for company startup was changed to a post-startup requirement. In addition, online transmission of the CPA capital audit report was added to the functions of the Company and Business One-stop Service Request website in May 2012. Hence, the procedure for submitting a CPA capital audit report (previously procedure 3) should also be included in the one-stop online company startup procedure (procedure 1).

• **Time: Shortened from 10 days to 7 days**

With effect from April 29, 2014, members of the public who use the Company and Business One-stop Service Request website to apply for company registration can conduct the whole application process using electronic signatures, without needing to submit or transmit any documents affixed with the company or responsible officer's seal. Thus, the making of a company seal is no longer a procedure or any part of a procedure for starting a business, reducing the time needed for the process by one day.

Also, the submission of a CPA capital audit report has already been changed to a post-startup requirement. Therefore, this step (originally procedure 3) can be carried out simultaneously with the one-stop online company startup procedure (procedure 1), reducing the time needed for starting a business by a further 2 days.

- **Further reduction of the cost of starting a business**

With effect from April 29, 2014, members of the public who use the Company and Business One-stop Service Request website to apply for company registration can conduct the whole application process using electronic signatures, without needing to submit or transmit any documents affixed with the company or responsible officer's seal. Thus, the cost of starting a business is reduced by the cost of making a company seal, which runs from 450 to 1,000 NT\$ depending on the quality of material used for the seal.

- **Minimum capital requirement: The requirement for a company's starting capital to be higher than its establishment cost has already been cancelled.**

The Regulations Governing Certification of Capital upon Registration Applications of Companies were amended on March 29, 2011, to delete the provision requiring a company's starting capital to be higher than its establishment cost.

Appendix

Articles 2 and 16 of the Regulations Governing Company Registration and Recognition as promulgated on April 14, 2014

Current Text	Original Text
<p>Article 2</p> <p>With regard to the application documents required by the [Company] Act, the applicant may prepare such documents in the form of electronic documents prefixed with authorized electronic signature; and may transmit the application package via the internet circumstances in the Company and Business One-stop Service Request website.</p> <p>A company, after completing incorporation registration via the internet circumstances in the Company and Business One-stop Service Request website, shall make a transforming-request prefixed with authorized electronic signature if subsequent application for amendment to the registration would in writing form.</p> <p>Electronic signature as required in one of the two preceding paragraphs shall be prefixed to the documents using the industrial commerce identification card issued by the Certificate Authority of the Ministry of Economic Affairs (MOEACA), if the applicant is a company; or using the natural person identification card issued by the Certificate Authority of the Ministry of Interior (MOICA), if the applicant is a natural person.</p>	<p>Article 2</p> <p>The application documents required by the [Company] Act may be prepared in the form of electronic documents affixed with an electronic signature, and the application may be submitted via electronic mail network.</p> <p>An electronic signature as referred to in the preceding paragraph, in the case of a company, shall be limited to the company certificate issued by the Ministry of Economic Affairs Certification Authority, and in the case of a natural person, shall be limited to the natural person certificate issued by the Ministry of the Interior Certification Authority or Government Certification Authority.</p>

Current Text	Original Text
<p>Article 16</p> <p>Particulars required to be registered and all the documents, tables and statements required to be submitted along with respective registration applications under the Company Act are enumerated in detail in Table 1 through Table 5 annexed hereto.</p> <p>The registration form submitted along with applications via the internet circumstances in the Company and Business One-stop Service Request website shall be prescribed by the competent government authorities.</p> <p>In case any of the documents, tables and statements to be submitted along with the relevant registration applications as required in Paragraph 1 is a photocopy, the competent government authorities may request for the original copy for verification when necessary. If any of the documents is written in a foreign language, a Chinese translation thereof shall be annexed hereto.</p> <p>In case that the company incorporation registration, company amendment registration for capital increase, or registration of company spin-off, or acquisition, or share exchange, or merger shall be effected on a specific recordation date as prescribed by the relevant competent authorities in charge of the company, for the auditor's report for certification of capital and all necessary attachments thereto, which are required as attachments to the relevant registration application under Paragraph One hereof, a provisional auditor's report for certification of capital may be prepared and submitted prior to the foregoing specific recordation date, followed by a supplemental auditor's report for certification of capital as of the recordation date within fifteen (15) days following the specific recordation date.</p>	<p>Article 16</p> <p>Particulars required to be registered and all the documents, tables and statements required to be submitted along with respective registration applications under the Company Act are enumerated in detail in Table 1 through Table 5 annexed hereto.</p> <p>In case any of the documents, tables and statements to be submitted along with the relevant registration applications as required in the preceding Paragraph is a photocopy, the competent government authorities may request for the original copy for verification when necessary. If any of the documents is written in a foreign language, a Chinese translation thereof shall be annexed hereto.</p> <p>In case that the company incorporation registration, company amendment registration for capital increase, or registration of company spin-off, or acquisition, or share exchange, or merger shall be effected on a specific recordation date as prescribed by the relevant competent authorities in charge of the company, for the auditor's report for certification of capital and all necessary attachments thereto, which are required as attachments to the relevant registration application under Paragraph One hereof, a provisional auditor's report for certification of capital may be prepared and submitted prior to the foregoing specific recordation date, followed by a supplemental auditor's report for certification of capital as of the recordation date within fifteen (15) days following the specific recordation date.</p>

MAIN POINTS OF REFORM IN 2014

In March 2011, Taipei City Government set up the One-Stop Counter for Building Permits to issue building permits for warehouses, and on March 1, 2012, extended its permit issuance to include factories, warehouses and office buildings of up to five stories. On May 1, 2013, a more streamlined procedure was introduced for the counter's processing of permit applications.

After giving careful consideration to the practicalities of permit applications and reviewing the application procedure, the city government on April 25, 2014, announced revisions to the One-Stop Counter's Operational Guidelines and Work Procedure (see Appendix A, Appendix B, Appendix C.). Under these revisions, the application process is divided into four distinct procedures, respectively for obtaining basic information, pre-construction matters, commencement of construction, and post-completion matters (Figure 2). With the revised procedures, it takes 58 working days from the day of receipt of an application for the One-Stop Counter to complete the whole administrative process for construction permit issuance. The main details are as follows:

“Obtaining basic information” (Procedure 1) has been formally incorporated into the One-Stop Counter procedures

- If an applicant needs to apply to the One-Stop Counter to obtain basic information on water, electricity or telecom equipment, he can fill out an application form, ticking the items he wishes to apply for and checking this against the Self Checklist of Application Documents for Obtaining Basic Information (OSC1).
- Such information is solely for the applicant's reference in designing the building. It is not a documentary requirement or necessary procedure for construction permit application, and it is entirely up to the applicant to decide for himself whether or not he needs to conduct this procedure.

- The stipulated time for completion of this procedure is 5 working days from the day the application is delivered to the One-Stop Counter.

“Pre-construction” (Procedure 2) is a procedure for submission of a construction permit application and the conduct of joint review.

- Before presenting an application, the applicant should make sure of what he needs to submit by checking this against the Self Checklist for Pre-construction Application Documents (OSC2). He should then submit the application form, drawings and explanations, and other necessary documents, by mail or by hand, to the one-Stop Counter.
- After the joint review, all applicable fees must be paid and a construction permit can be issued.
- The stipulated time for completion of this procedure is 11.5 working days from the day the application is delivered to the One-Stop Counter.

“Commencement of construction” (Procedure 3) is a procedure for payment of the air pollution protection fee and approval of start of work.

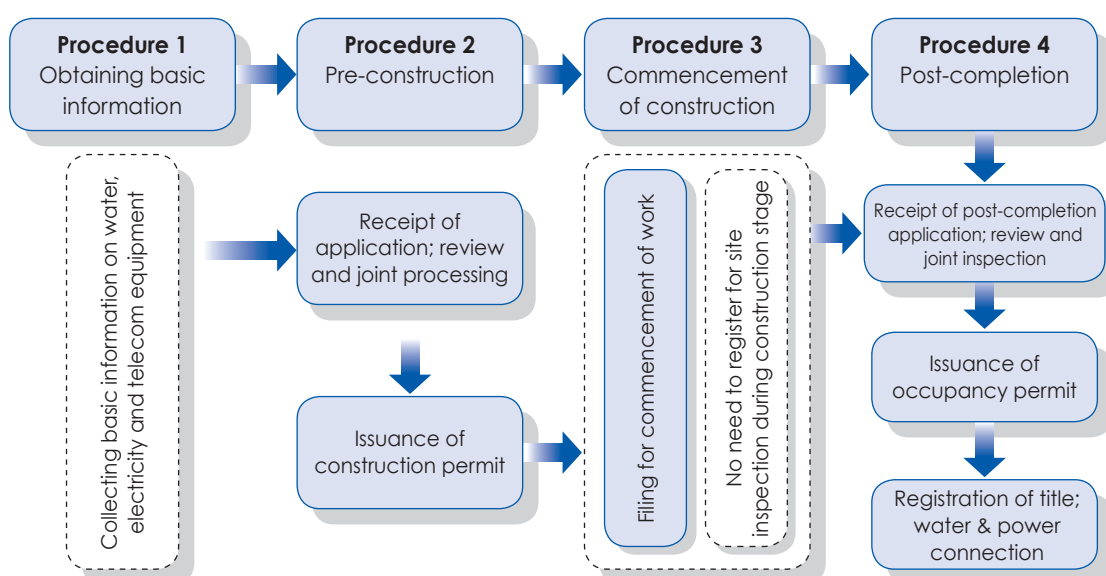
- After the applicant obtains a construction permit, he prepares the application for commencement of construction, a construction plan, and other required documentation, in accordance with the “Self Checklist for Commencement-of-Construction Application Documents” (OSC3), and delivers these by mail or by hand to the One-Stop Counter.
- After the joint review, approval is given for commencement of work, and the air pollution protection fee must be paid.
- The stipulated time for completion of this procedure is 8 working days from the day the application is delivered to the One-Stop Counter.

- “Application for water supply” has been incorporated into the “commencement of construction” procedure (Procedure 3): When the applicant fills out OSC3, he ticks the “Apply for water” box. The One-Stop Counter will then pass on this application to the Taipei City Water Department, and will carry out the water supply application procedure.

“Post-completion” (Procedure 4) has incorporated the procedures for “Receiving inspection from water company” and “Obtaining water connection.”

- The applicant fills out the “Self Checklist for Post-completion Application Documents” (OSC4), ticking the boxes for “Receiving inspection from water company” and “Obtaining water connection.”
- After issuing an occupancy permit, the One-Stop Counter will pass on this application to the Taipei City Water Department, and the procedures for “Receiving inspection from water company” and “Obtaining water connection” will be completed.
- The stipulated time for completion of this procedure is 33.5 working days from the day the application is delivered to the One-Stop Counter.

Figure 2 **One-Stop Counter Flow Chart**



EXPLANATION OF 2014 REFORMS

Taipei City Government's reform of the construction permit application process, effective from April 25, 2014, divides the application process into four procedures, respectively "obtaining basic information," "pre-construction," "commencement of construction" and "post-completion." An applicant can download the application document self checklists (OSC1, OSC2, OSC3 and OSC4) from the website of the Taipei City Government One-Stop Counter for Building Permits (http://www.dbaweb.tcg.gov.tw/one_stop/work_std.htm), and use these one by one to conduct the application process.

No.	Procedure	Time	Cost
1	Obtaining basic information Collecting basic information on the intended building site's water, electricity and telecom equipment.	5 days	No charge
Explanation	1. Legal basis: Amendment of local government ordinances as proclaimed and effective on April 25, 2014 (1) Point 2 Paragraph 1 Subparagraph 1 of Taipei City Government's Operational Guidelines for the One-Stop Counter for Building Permits (for Factories, Warehouses and Office Buildings of Five Stories or Lower) (2) Point 2 Paragraph 1 of Taipei City Government's Work Procedures for the One-Stop Counter for Building Permits (for Factories, Warehouses and Office Buildings of Five Stories or Lower) 2. This procedure is for collecting basic information on the intended building site's water, electricity and telecom equipment. 3. Procedure flow: (1) If an applicant needs to apply to the One-Stop Counter to obtain basic information on water, electricity or telecom equipment, he can fill out an application form, ticking the items he wishes to apply for and checking this against the Self Checklist of Application Documents for Obtaining Basic Information (OSC1). (2) Such information is solely for the applicant's reference in designing the building. It is not a documentary requirement or necessary procedure for construction permit application, and it is entirely up to the applicant to decide for himself whether or not he needs to conduct this procedure.		

No.	Procedure	Time	Cost
Explanation	4. Completion time: 5 working days from the day the application is delivered to the One-Stop Counter.		
	5. Cost: No charge.		
2	Pre-construction Submission of construction permit application to the One-Stop Counter	11.5 days	NT\$31,402
Explanation	1. Legal basis: Amendment of local government ordinances as proclaimed and effective on April 25, 2014 (1) Point 2 Paragraph 1 Subparagraph 2 of Taipei City Government's Operational Guidelines for the One-Stop Counter for Building Permits (for Factories, Warehouses and Office Buildings of Five Stories or Lower) (2) Point 2 Paragraph 2 of Taipei City Government's Work Procedures for the One-Stop Counter for Building Permits (for Factories, Warehouses and Office Buildings of Five Stories or Lower)		
	2. Procedure flow: The applicant may at this stage submit a construction permit application to the One-Stop Counter, and the relevant departments will conduct review and joint processing of the submitted drawings and documents for the building and for commencement of work. (1) Before presenting an application, the applicant should make sure of what he needs to submit by checking this against the Self Checklist for Pre-construction Application Documents (OSC2). He should then place the application form, drawings and explanations, and other necessary documents in proper order in a file envelope, write "Pre-construction application form" on the outside of the envelope, and deliver this by mail or hand to the One-Stop Counter. (2) If, due to particular case circumstances, there is a need for an application to be processed jointly with another unit, the applicant should fill out a Taipei City Government Building Permit (Design Alteration) Joint Review Form, ticking the joint processing unit and joint review item(s), and submit it once. (3) If an application is not within the scope of the One-Stop Counter's jurisdiction, or is one that it cannot process due to some special circumstance, the One-Stop Counter will not be able to accept it, but will help the applicant conduct it through ordinary channels. (4) If an application is within the scope of the One-Stop Counter's jurisdiction, the staff member taking receipt of it shall immediately verify that the correct documents have been submitted, assign the application a case number, and after completing receipt, apply a receipt stamp or fax a receipt stub.		

No.	Procedure	Time	Cost
Explanation	<p>(5) When a joint review of an application has been conducted by the One-Stop Counter and it has been found that the application does not conform to requirements, the One-Stop Counter will notify the applicant that he has one chance to make the necessary correction.</p> <p>(6) A construction permit is issued, and fees for the construction permit, specification of building setback line, wastewater discharge permit, and land ownership certificate are paid.</p> <p>3. Completion time: 11.5 working days from the day the application is delivered to the One-Stop Counter.</p> <p>(1) This procedure begins with delivery of the building permit application, and takes half a working day for registration of receipt.</p> <p>(2) When the documents are all in order, the One-Stop Window will pass them to the relevant offices (the Construction Management Office, Bureau of High Speed Rail, Department of Rapid Transit Systems, Department of Public Works, Department of Cultural Affairs, Department of Transportation, Department of Land, Department of Urban Development, etc.) for conduct of joint review. The joint review will need 10 working days.</p> <p>(3) After completion of the joint review, the issuance (approval) of a building permit and payment of all fees needs 1 working day.</p> <p>4. Cost: NT\$31,402.</p> <p>(1) Construction permit fee: NT\$24,152.</p> <p>A. Article 29 Subparagraph 1 of the Building Act stipulates that, when issuing a construction permit, the competent local authority shall charge a fee of 1/1,000th of the building construction cost, payable by the builder or owner.</p> <p>B. According to the Table of Construction Costs for Building Engineering, Miscellaneous Work Materials and Land Improvement used by Taipei City Government, effective from February 1, 2014, the cost of constructing the steel frame building in this example is NT\$18,570 per square meter, so the cost of construction should be calculated as: $\text{NT\\$}18,570 \times 1,300.6 \text{ m}^2 = \text{NT\\$}24,152,142.$</p> <p>C. At 0.1% of the construction cost, the construction permit fee in this case should be: $\text{NT\\$}24,152,142 \times 0.1\% = \text{NT\\$}24,152.$</p>		

No.	Procedure	Time	Cost
Explanation	<p>(2) Other fees: NT\$4,000 to Taipei City Government for application to designate the building setback line, NT\$3,200 to Taipei City Government for a wastewater discharge permit, and NT\$50 to Taipei City Government for a copy of the land ownership certificate. Total: NT\$7,250.</p> <p>(3) Construction permit fee + other fees: $24,152 + 7,250 = \text{NT\\$}31,402$</p>		
3	<p>Commencement of construction</p> <p>Report the start date to Taipei City Government, present a construction plan, pay the air pollution protection fee before starting construction, and apply for water connection.</p>	8 days	NT\$16,505
Explanation	<p>1. Legal basis: Amendment of local government ordinances as proclaimed and effective on April 25, 2014</p> <p>(1) Point 2 Paragraph 1 Subparagraph 3 of Taipei City Government's Operational Guidelines for the One-Stop Counter for Building Permits (for Factories, Warehouses and Office Buildings of Five Stories or Lower)</p> <p>(2) Point 2 Paragraph 3 of Taipei City Government's Work Procedures for the One-Stop Counter for Building Permits (for Factories, Warehouses and Office Buildings of Five Stories or Lower)</p> <p>2. Procedure flow:</p> <p>(1) After the applicant obtains a construction permit, he prepares the application for commencement of construction, a construction plan, and other required documentation, in accordance with the "Self Checklist for Commencement-of-Construction Application Documents" (OSC3), and delivers these by mail or by hand to the One-Stop Counter.</p> <p>(2) The applicant pays the air pollution protection fee, and obtains approval for the commencement of work.</p> <p>3. Completion time: 8 working days from the day the application is delivered to the One-Stop Counter.</p> <p>(1) After obtaining the building permit, and before commencing construction, the applicant must complete the start date reporting process.</p>		

No.	Procedure	Time	Cost
Explanation	<p>(2) When the documents are all in order, the One-Stop Window will pass them to the relevant offices (the Construction Management Office, Department of Public Works, Fire Department, Department of Environmental Protection, Water Department, Department of Rapid Transit Systems, Bureau of High Speed Rail, etc.) for conduct of pre-commencement joint review. The joint review will need 7 working days.</p> <p>(3) After the pre-commencement joint review has been completed, the One-Stop Counter will collect payment of the air pollution protection fee and approve the commencement of work. This will need one working day.</p> <p>4. Fee to be paid: Air pollution protection fee of NT\$16,505.</p> <p>(1) The building in this case is a 2-story warehouse, with a total floor area of approximately 1,300.6 m² (each floor 650.3 m²), situated on a 929 m² plot of land. Such a building would need around 30 weeks for construction (counted as 9 months according to the World Bank's method of computation).</p> <p>(2) Under the provisions of Article 4 of the Regulations Governing Construction Project Air Pollution Prevention Facilities, this example would be classified as a Grade 2 construction.</p> <p>(3) According to the Collection Rates of Air Pollution Prevention Fees for Construction Projects announced by the Environmental Protection Administration as effective from January 1, 2014, the air pollution prevention fee for a steel frame Grade 2 construction project, as in this case example, is calculated as "fee rate × fee base" at a fee rate of NT\$2.82 per m² per month, with the fee base as "construction area × period under construction (months)", and each month calculated as 30 days. Hence, the air pollution prevention fee for this example should be calculated as: NT\$2.82 × 650.3 m² × 9 months = NT\$16,505.</p>		
4	<p>Post-completion</p> <p>Obtaining occupancy permit, completing registration of title, and starting use of public utilities</p>	33.5 days	NT\$87,314
Explanation	<p>1. Legal basis: Amendment of local government ordinances as proclaimed and effective on April 25, 2014</p> <p>(1) Point 2 Paragraph 1 Subparagraph 4 of Taipei City Government's Operational Guidelines for the One-Stop Counter for Building Permits (for Factories, Warehouses and Office Buildings of Five Stories or Lower)</p> <p>(2) Point 2 Paragraph 4 of Taipei City Government's Work Procedures for the One-Stop Counter for Building Permits (for Factories, Warehouses and Office Buildings of Five Stories or Lower)</p>		

No.	Procedure	Time	Cost
Explanation	<p>2. Procedure flow: The applicant applies to the One-Stop Counter for an occupancy permit, presenting the construction permit (the original document). The relevant administrative units will jointly conduct review of the relevant documentation.</p> <p>(1) Where construction is completed without involving damage to adjacent property, the applicant can take the original construction permit to the One-Stop Counter and make a one-time submission of the Self Checklist for Post-completion Application Documents (OSC4). The One-Stop Counter will pass the application documents to the relevant units and to Taipei Water Department for processing.</p> <p>(2) The mode of submission is the same as for the first stage (the construction permit application). The applicant must put the relevant application letter, application form, drawings & explanations, and other documentation required by law or by the regulations of the unit concerned, into one file envelope for each separate application, and must write the type of application and the unit concerned on the envelope (e.g., "Application to the Fire Department for post-completion inspection of fire-fighting equipment.")</p> <p>(3) The applicant must specify the construction permit number (○○○○Jian Zi No. ○○○○), and fill out the Self Checklist for Post-completion Application Documents (OSC4). Then he should check the correctness of the forms, write "Post-completion application forms" on the envelope containing the application documents, and deliver it by mail or hand to the One-Stop Counter.</p> <p>(4) The applicant can also request the One-Stop Counter to arrange and liaise with the departments concerned for the conduct of joint inspection. When the applicant so requests in the self checklist (OSC2), the One-Stop Counter will arrange for the joint inspection to be scheduled as specified by the applicant.</p> <p>(5) Once the review has been completed, the relevant administrative fees paid (the occupancy permit fee, last-stage air pollution prevention fee, etc.), and a duplicate made, the occupancy permit can be issued.</p> <p>(6) The applicant may choose for the occupancy permit to be mailed to him, or may go in person to the service desk of the One-Stop Counter to collect it. At the same time, the One-Stop Counter will notify the relevant units to conduct registration of title and apply for the installation of telecom equipment (the applicant makes his own selection of the telecom service provider).</p> <p>(7) The building is ready for occupation.</p>		

No.	Procedure	Time	Cost
Explanation	<p>3. Completion time: 33.5 working days from the day the application is delivered to the One-Stop Counter.</p> <p>(1) This procedure begins with delivery of the completion of construction application, and takes half a working day for registration of receipt. At the same time, the telecom service provider is notified to carry out the application for installation of telecom equipment within 3 working days.</p> <p>(2) When the documents are all in order, the One-Stop Window will pass them to the relevant offices (the Construction Management Office, Bureau of High Speed Rail, Department of Rapid Transit Systems, Department of Public Works, Department of Cultural Affairs, Department of Transportation, Department of Land, Department of Urban Development, etc. for conduct of joint site inspection. The joint site inspection will need 10 working days.</p> <p>(3) After the joint site inspection is completed, and the building is found to be in compliance with applicable regulations, the One-Stop Counter will approve the issuance of an occupancy permit, and will attend to collecting payment of the various applicable fees. It will also notify Taipei Water Department to carry out the procedures for "Receiving inspection from water company" and "Obtaining connection to water." These procedures need 3 working days.</p> <p>(4) Once issuance of the occupancy permit is approved, the One-Stop Counter will transmit the documentation to apply for registration of title to the local land administration office. The registration of title will be completed in 18 days (including the requisite 15-day public announcement period).</p>		
	<p>4. Cost: NT\$87,314</p> <p>(1) Building registration: NT\$62,314</p> <p>A. For the first registration of a building, Point 3 of the Supplementary Regulations on Computing and Collecting Land Registration Fees and Penalties stipulates that the registration fee is computed according to the total cost of construction as recorded in the occupancy permit. Article 84 of the Land Registration Regulations stipulates that the general land registration procedure applies mutatis mutandis to the first registration of a building, hence the applicable registration fee is 0.2% of the aforesaid total cost of construction.</p> <p>B. The cost of construction of this building is NT\$31,156,877.</p> <p>C. The building registration fee: $\text{NT\\$}31,156,877 \times 0.2\% = \text{NT\\$}62,314$.</p> <p>(2) Fee for obtaining water connection: NT\$25,000.</p> <p>(3) Building registration fee + water connection fee: $62,314 + 25,000 = \text{NT\\$}87,314$.</p>		

Appendix A

Taipei City Government One-Stop Counter for Building Permits (for Factories, Warehouses, or Office Buildings of Five Stories or Lower)

amended and promulgated on April 25, 2014

- **Objectives**

On March 1, 2011, the Taipei City Government (hereinafter referred to as "the Government") officially established the One-Stop Counter for Warehouse Building Permits to simplify administrative procedures, improve administrative efficiency and speed up the activation of the industry. In 2012, the Counter was expanded to a One-Stop Counter for Building Permits (for Factories, Warehouses, or Office Buildings of Five Stories or Lower) (hereinafter referred to as "the Counter").

- **Mission**

The Counter aims at providing "one-stop services" by combining the Government's units, state-owned enterprises and private institutions. At the very beginning, only the construction projects of specific scale would be the focus of revisions to regulations and simplification of application procedures in an effort to speed up the review process and provide a fast application model different from the existing building permit review process.

- **Scope of services**

In 2012, the Counter extended the services to one-stop counter dedicated to processing the applications for building permits (for factories, warehouses or office buildings of five stories or lower) and as-built joint review. All sites that are qualified and under the jurisdiction of this City must submit their applications to the Counter.

- **Expected performance**

Before submitting the applications to the Counter, the applicants should read and fully understand the relevant guidelines defined by the Counter and

the **“Operational Guidelines for One-Stop Counter for Building Permits (for Factories, Warehouses, or Office Buildings of Five Stories or Lower)”**. Within 58 business days upon acceptance of the applications, the Counter will complete all administrative operating procedures, so that the building can be occupied successfully. Unqualified applicants should still go through the normal application procedure.

- **Service hours**

The Counter is open for acceptance (receipt) of applications from 8:30AM to 5:30PM every Monday to Friday (except weekends and national holidays).

- **Service location**

One-Stop Counter for Building Permit (for Factories, Warehouses, or Office Buildings of Five Stories or Lower), Taipei City Government (2F., No.1, Shifu Rd., Xinyi Dist., Taipei City 110)

- **Hotline**

1999 (other counties or cities, please call 02-2720 88 89) ext. 2704, contact Ms. Yu Lee.

- **Website**

http://www.dbaweb.tcg.gov.tw/one_stop/one_stop_service.htm

Appendix B

Taipei City Government Operational Guidelines for One-Stop Counter for Building Permits (for Factories, Warehouses, or Office Buildings of Five Stories or Lower) amended and promulgated on April 25, 2014

I. Scope of applicability

For factories, warehouses, or office buildings of five stories or lower which meet the following requirements:

1. The buildings shall not be located in the areas referred to in the "Taipei City Government Urban Planning and Land Control Review", "Slope Land Conservation and Utilization Act", "Soil and Water Conservation Act", or "Taipei City Slope Land Development and Building Regulations".
2. No application is made for comprehensive design specified in the "Incentive Regulations for Building of Indoor Parking Space for the Public in Taipei City" or "Taipei City Land Use and Zoning Control Bylaw".
3. The scope of the subject base is not subject to the "Taipei City Tree Protection Bylaw" or involves the abolishment or diversion of odd land or existing lanes.
4. The scope of the subject base does not cover geologically sensitive areas and the building does not need to undergo special structure review due to its scale.

II. Application procedure

1. Procedure 1 "Access to Basic Information" ^{note*}: To collect the basic information about running water, power and telecommunication device for the subject base within 5 working days upon the submission.

(Note*: The procedure is not required by the application for building permit. Notwithstanding, if it is necessary to access such information case by case, the information may be accessed only via an application filed with the Counter.)

2. Procedure 2 "Before Construction": To obtain the building permit within 11.5 working days upon the submission.
3. Procedure 3 "Commencement": To report the commencement within 8 working days upon the submission.
4. Procedure 4 "After Construction": To obtain the occupation permit, complete registration of property right and activate the utility within 33.5 working days upon the submission.

For details, please see the **"Operational Procedure for One Stop Counter for Building Permit (for Factories, Warehouses, or Office Buildings of Five Stories or Lower)"**.

III. Application form

1. The application form shall be completed by filling in the following self-review forms for "Access to Basic Information" ^{Note*}, "Before Construction", "Commencement" and "After Construction", respectively.
2. Related application forms

"Access to Basic Information" Self-Review Form (OSC1) ^{Note*}

(Note*: The procedure is not required by the application for building permit. Notwithstanding, if it is necessary to access such information case by case, the information may be accessed only via an application filed with the Counter.)

- Form **OSC1** : for collection of the basic information about water supply, power supply and telecommunications

"Before Construction" Self-Review Form (OSC2)

- Form **OSC2-1** : Building line indicating (specifying) diagram
- Form **OSC2-2** : Land revision survey result diagram/Building survey result diagram (not required, if not combined with demolition license)
- Form **OSC2-3** : Building permit application form

- Form **OSC2-4** : Sanitary sewer pipelines/location of escape canals/movement of street lights and trees (not required, if not involved), Public Works Department
- Form **OSC2-5** : HSR building permit bans scope, Bureau of High Speed Rail (not required, if not in the vicinity)
- Form **OSC2-6** : RTS building permit bans scope, Department of Rapid Transit System (not required, if not in the vicinity)
- Form **OSC2-7** : In the vicinity of historic monuments, Department of Cultural Affairs (not required, if not in the vicinity)
- Form **OSC2-8** : Traffic impact assessment, entrance/exit design for vehicles and motorcycles, Department of Transportation (not required, if not meeting the application requirements)

"Commencement" Self-Review Form (OSC3)

- Form **OSC3-1** : Application form for construction commencement, Construction Management Office
- Form **OSC3-2** : Construction plan
- Form **OSC3-3** : Fire Department review
- Form **OSC3-4** : Payment of first-phase air pollution fees and waste disposal plan review, Department of Environmental Protection
- Form **OSC3-5** : Submittal list, Department of Labor
- Form **OSC3-6** : Water supply pre-review, Water Department

"After Construction" Self-Review Form (OSC4)

- Form **OSC4-1** : Application form for construction completion, Construction Management Office
- Form **OSC4-2** : Application review of construction completion, Public Works Department
- Form **OSC4-3** : Application review of construction completion, Fire Department
- Form **OSC4-4** : Application for house number plate, Department of Civil Affairs
- Form **OSC4-5** : Payment of last-phase air pollution fees and waste

disposal plan release control form, Department of Environmental Protection

- Form **OSC4-6** : Water supply completion review, Water Department
- Form **OSC4-7** : Registration of property right, Department of Land
- Form **OSC4-8** : Application for telecommunication devices with telecommunication operator (not required, if a telecommunication operator is designated and no application is filed)

IV. Responsible units

1. Access to Basic Information

- Access to information from Taipei Water Department
- Access to information from TPC
- Access to information about installation of telecommunication devices from various private telecommunication companies

2. Before Construction

- Issuance of the building line indicating (specifying) diagram, Department of Urban Development, Taipei City Government
- Issuance of the Land revision survey result diagram, building survey result diagram, Department of Land, Taipei City Government (for combined with demolition license)
- Building permit review, Construction Management Office, Taipei City Government

The following units should handle the application case by case, if involved.

- Review of HSR building permit bans/restrictions scope, Bureau of High Speed Rail, MOTC
- Review of the RTS building permit bans/restrictions scope, Department of the Rapid Transit System, Taipei City Government
- Traffic impact assessment of parking space with more than 150 parking lots, Department of Transportation, Taipei City Government
- Review of the historic monument maintenance plan, Department of Cultural Affairs, Taipei City Government

3. Commencement

- Sanitary sewer pipelines/location of escape canals/movement of street lights and trees, Public Works Department, Taipei City Government
- Fire protection review, Fire Department, Taipei City Government
- Payment of first-phase air pollution fees and waste disposal plan review, Department of Environmental Protection, Taipei City Government
- Water supply pre-review, Taipei Water Department

4. After Construction

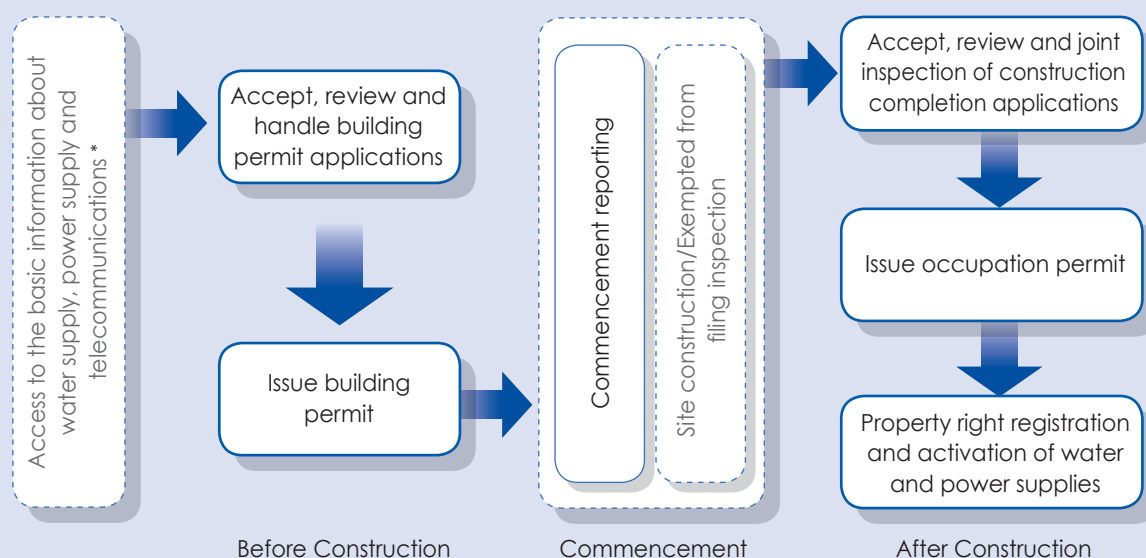
- Application review of construction completion, Construction Management Department, Taipei City Government
- Application review of construction completion, Sanitary Sewer Office, Public Works Department, Taipei City Government
- Application review of construction completion, Fire Department, Taipei City Government
- Application for house number plate, Department of Civil Affairs, Taipei City Government
- Payment of last-phase air pollution fees and waste disposal plan release control, Department of Environmental Protection, Taipei City Government
- Application for joint completion inspection
- Registration of property right, Department of Land, Taipei City Government
- Construction complete review, Taipei Water Department
- Application for telecommunication devices with telecommunication operator (for designated telecommunication operator)

Appendix C

Taipei City Government Operational Procedure for One-Stop Counter for Building Permits (for Factories, Warehouses, or Office Buildings of Five Stories or Lower) amended and promulgated on April 25, 2014

The "One-Stop Counter for Building Permits (for Factories, Warehouses, or Office Buildings of Five Stories or Lower)" (hereinafter referred to as the "Counter") defines the Operational Procedure as the standard procedure to process the applications for building permits of buildings of five stories or lower (for factories, warehouses, or office building).

I. Workflow



(Note*: The procedure is not required by the application for building permit. Notwithstanding, if it is necessary to access such information case by case, the information may be accessed only via an application filed with the Counter.)

II. Descriptions

A construction project shall be completed through submission of applications to the Counter by 4 phases, namely "Access to Basic Information", "Before Construction", "Commencement" and "After Construction".

1. **Access to Basic Information:** The applicant may complete the application form (To "Access to Basic Information Application Form"), select the scope of application and conduct the review in accordance with the "Access to Basic Information" Self-Review Form (OSC1) to apply with the Counter for access to the basic information about running water, power or telecommunication devices. Notwithstanding, said information is only provided for the design reference (this City already has well-founded water supply, power transmission pipeline and telecommunication device). In fact, this procedure is not required for the application for building permits. The applicant may decide to complete such procedure to his sole discretion.
2. **Before Construction:** The applicant can apply for the building permits with the Counter at this phase. Related departments are responsible for review of documents and drawings (To "Before Construction Application Form")
 - (1) Before submitting the documents, the applicant should check item by item according to the "Before Construction Self-Review Form (OSC2)", and put the application form, drawings and other documents in the envelope. The envelope should be marked with the "Before Construction Application Form" and sent by mail or delivered personally to the Counter.
 - (2) If assistance of other units is needed for a specific case, the "Building Permits (Design Change) Assistance Review List of Taipei City Government" must be completed by checking the assisting unit(s) and review item(s).
 - (3) The Counter will not accept any application which is beyond the scope of services provided by the Counter or which meets the requirements about special cases. The Counter will help the applicant apply for the permits through the normal procedures.

- (4) The relevant personnel shall check the documents and assign a number to the application upon receipt of any application that falls in the scope of services provided by the Counter. When the application is accepted officially, a receiving stamp will be affixed or an acknowledgement receipt will be sent by fax.
- (5) When any nonconformity is identified during the review, the Counter will give a notice granting one single chance for correction.
- (6) The building permit will be issued and the government fee shall be paid upon completion of the before construction review. The building permit can be received by mail or personally at the Counter.

3. Commencement: The applicant can submit the application for commencement to the Counter on the ground of the building permit. Related departments are responsible for review of documents and drawings **(To “Commencement Application Form”)**

- (1) Before submitting the documents, the applicant should check item by item according to the **“Commencement Self-Review Form (OSC3)”**, and put the application form, drawings and other documents in the envelope. The envelope should be marked with the “Commencement Application Form” and sent by mail or delivered personally to the Counter.
- (2) When any nonconformity is identified during the joint review before commencement, the Counter will give a notice granting one single chance for correction.
- (3) The commencement will be approved only upon payment of various government fees (including such administrative fees as first-phase air pollution fees, et al.).

4. After Construction: The applicant can submit the application for occupation permit to the Counter on the ground of the building permit. Related departments are responsible for review of documents and drawings **(To “After Construction Application Form”)**

- (1) For the construction that does not bring about damage to neighbors after completion, the applicant can submit the application to the Counter with the building license and the post-construction

application form. The Counter will forward the documents to related units and the public utility unit. The Counter only accepts the application with regard to the works for which a pre-construction application was submitted in the first phase.

- (2) When submitting the application, the applicant should put all application letters, forms, drawings and other documents/drawings required by laws or other related units in an envelope. The type of application and the applying unit should be marked on the envelope (e.g. "apply to Fire Department for completion inspection of fire protection equipment").
- (3) The applicant should provide the building permit number (○○○ Jian-Zi No. ○○○○) assigned by the Counter and fill in the After Construction Self-Review Form (OSC2). The envelope should be checked according to the Form and be marked with the "post-construction application form" and sent by mail or delivered personally to the Counter.
- (4) The applicant can apply to the Counter for gathering all related units to carry out the joint review. For this, the applicant should fill in the self-review form (OSC4). The Counter will arrange the joint review according to the schedule that the applicant specifies.
- (5) The occupation permit will be issued only after the application is approved and the application fee of the occupation permit, last-phase air pollution fee and other administrative fees have been paid, and a copy of the occupation permit has been made.
- (6) The occupation permit can be received by mail or personally at the Counter. The Counter will notify related units to register the property right and apply for telecommunication devices (for designated telecommunication operator).
- (7) The building is completed and may be occupied.

03

Getting Electricity

2014 REFORMS

To simplify the application process for getting a new electricity connection for buildings under a certain size (warehouses with a total floor area of 2,000 square meters or less, five stories or less, five or fewer users, and total contracted capacity of less than 150 kilowatts), Taiwan Power Company (TPC) announced a set of operational directions for the handling of such applications on January 31, 2011.

On April 16, 2013, these directions were revised to streamline the application process from four procedures to three; and, on March 26, 2014, the route subsidy calculation explanation was added, with amount including tax and excluding tax shown (see Appendix); the revised directions were posted on TPC's public website (http://www.taipower.com.tw/e_content/content/service/service01.aspx) for public perusal.

COMPARISON OF BEFORE AND AFTER REFORM

The 2013 Survey

No.	Procedure	Time to complete	Associated costs
1	Submit an application for electricity connection and await completion of the design	4 days	NT\$307,860
2*	Await external inspection by TPC required for the preparation of the estimate	1 day	No charge
3	Await completion of the external connection works by TPC's subcontractor	19 days	No charge
4	Await installation of the meter, internal wiring inspection by TPC and electricity starts flowing	1 day	No charge
Total		24 days	NT\$307,860

Note: *Denotes a procedure which takes place concurrently with another procedure

2014 Reforms and Corrections

No.	Procedure	Time to complete	Associated costs
1	Submit an application for electricity connection and await completion of the design	4 days	NT\$293,200
2	Await completion of the external connection works by TPC's subcontractor	17 days	No charge
3	Await installation of the meter, internal wiring inspection by TPC and electricity starts flowing	1 day	No charge
Total		22 days	NT\$293,200

EXPLANATION OF REFORMS AND CORRECTIONS

• Procedures: Reduced from Four Procedures to Three

After receiving an application for electricity supply, TPC's design section will promptly examine the electrical diagrams provided by the customer. It will also check information on the location for which electricity supply has been applied for on the Easymap public land information reference website (<http://easymap.land.moi.gov.tw>) set up by the Ministry of the Interior in order to design the external power line.

This eliminates procedure 2, "await external inspection by TPC required for the preparation of the estimate," reducing the number of procedures from four to three.

• Time: Reduced from 24 days to 22 days

The elimination of procedure 2, which required the applicant to await the external inspection by TPC required to prepare an estimate, shortens the total time by one day.

Regarding the external wiring work needed by the user, TPC will carry this out in accordance with the Governing Rules for Outdoor Power Line Placement and related regulations promulgated by the Ministry of Economic Affairs. If a 150-meter outdoor power line needs to be installed, the actual work time will be approximately 17 days. The time needed for procedure 3, await completion of the external connection works by TPC's subcontractor, was therefore revised to 17 days.

With the elimination of procedure 2, await external inspection by TPC required for the preparation of the estimate, and with the revision of the actual time required by procedure 3, await completion of external connection works by TPC's subcontractor, the total time required to get electricity is 22 days.

• **Cost: Adjusted from NT\$307,860 to NT\$293,200**

In accordance with the assumptions of the World Bank survey, costs have been calculated exclusive of taxes. With taxes removed from calculations, the cost of getting electricity should be adjusted to NT\$293,200 ($\text{NT\$}2,199 \times 140 \div 1.05$).

For TPC customers applying for the installation of a new (or increased) regular power supply, fees are currently assessed on the basis of customer contributions for expansion construction, with contributions for new power line construction only assessed for the portion of the newly constructed line that exceeds 5,000 meters in length. Unit prices are based on the standard of 1988 power line construction unit prices; however, although the cost of various materials and labor have steadily increased in recent years, the unit price for customer contribution to expansion construction costs has not been correspondingly adjusted since 1997. With prices too low to reflect the actual cost of the investment, and with costs to customers unchanged, the relative share of the cost that they bear has been reduced.

OTHER EXPLANATIONS— INTRODUCTION TO THE PUBLIC SERVICE LAND INFORMATION WEBSITE

The Public Service Land Information Website (<http://easymap.land.moi.gov.tw>) is a database of basic land information for the whole of Taiwan. Incorporating the digital atlas and other data of the Ministry of Transportation and Communications' Institute of Transportation, it enables users to make inquiries about geographic location using building addresses and neighborhood names, and enhances the Graphical User Interface (GUI) of user-end cadastral map reading.

The system can also further add digital surveying and the digitized cadastral map coordinate system simultaneously into analytical processing in order to compute converted parameter data for the coordinate systems of different segments of land, which may then be used in conjunction with Google Maps and Google Earth to further enhance the quality of service to the public.

Appendix

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

amended and promulgated March 26, 2014

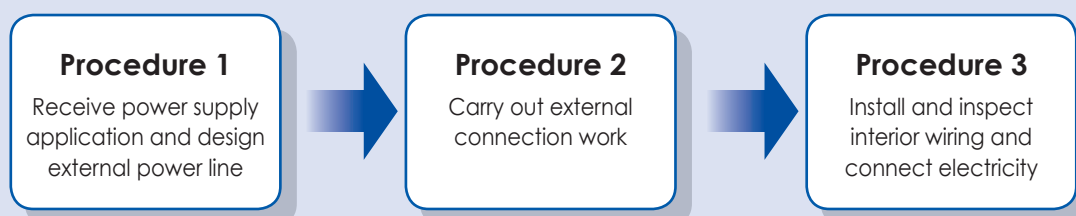
PURPOSES

These Directions has been specially formulated for the purposes of simplifying the process of applying for electricity connection, improving the efficiency of service, and ensuring the quality of power utilization, so as to meet customers' needs for electricity.

SCOPE OF SERVICE

Buildings of or under a certain size as stipulated by the Ministry of the Interior (warehouses with a total floor area of 2,000 square meters or less, of five stories or less, with five or fewer users, and with total contracted capacity of less than 150 kilowatts).

APPLICATION HANDLING PROCEDURES



EXPLANATION OF PROCEDURES

Receipt of power supply application and design of external line

- The customer fills out and signs an application form for the installation of a new electricity supply according to the category of use applied for. The customer then submits the completed form together with a diagram of interior wiring. The customer's contribution in aid of construction costs may be paid when submitting the application, or by electronic transfer.
- After receiving the application, TPC's design section will promptly examine the submitted drawing and data and, after checking the customer's location on the Easymap system at the Ministry of the Interior's Public Service Land Information Website (<http://easymap.land.moi.gov.tw>), will design the external power line. The customer will not need to confer with TPC or participate in the design process.
- This procedure takes approximately four working days to complete.

Carrying out external connection work

- According to the provisions of the Electricity Act, electricity equipment must be standardized whenever possible, and the methods, specifications, and installation rules thereof shall be stipulated by the central competent authority. Therefore, TPC will carry out the necessary external connection work for the customer in compliance with the Governing Rules for Outdoor Power Line Placement and related regulations, as promulgated by the Ministry of Economic Affairs.
- If an external power line of 150 meters needs to be constructed, the actual work time required will be approximately 17 days (excluding time waiting for the customer to pay the connection fee, time during which design or construction of the external power line cannot proceed due to reasons attributable to the customer, and weekends and national holidays). Otherwise, the time required will be longer or shorter depending on the extent of construction required.

Installation and inspection of interior wiring and connection of the power supply

- To ensure the safety of the supply of electricity, the Electricity Act specifies that the installation, construction, and modification of the user's electricity devices must be carried out by a contract electrical appliance installer registered with and approved by the local government, and must be carried out in compliance with the Governing Rules for User Premise Power Line Placement issued by the Ministry of Economic Affairs. Such work must be inspected and approved before the power supply can be turned on.
- This procedure takes approximately one working day to complete.

APPLICATION DOCUMENTS

There are a total of seven attachments to the Electricity Supply Application Form for buildings under a certain size (warehouses with a total floor area of 2,000 square meters or less, five stories or less, five or fewer users, and total contracted capacity of less than 150 kilowatts). These forms can be downloaded from the TPC website at http://www.taipower.com.tw/content/q_service/q_service01.aspx?NType=1.

Application form for meter rate lighting service:

For installed capacity of less than 100kW

Application form for low-tension power service:

- For a single-phase, two-wire, 220-volt or three-phase, three-wire 220- or 380-volt power supply, and contracted capacity of less than 100 kW.
- For a three-phase, four-wire, 220/380-volt power supply, and contracted capacity of less than 500 kW.

Application form for high-tension power service:

For a three-phase, three-wire, 3300-, 11,400-, or 22,800-volt special power supply, and contracted capacity of 100 kW and above.

Documents required for review of the space reserved for TPC's installation of electricity supply equipment and the interior electrical wiring

Letter of commitment to reserve space for TPC's installation of electricity supply equipment

Post-completion statement:

To be filled out by the electrical installation contractor after the installation of electrical equipment is completed, and submitted together with a certificate issued by the relevant electrical contractors association that the completion of work has been registered by one of its members.

- ※ Customers needing a temporary electricity supply for use during construction may fill that Enclosure 1 or 2 and a supplementary Registration of Temporary Electricity Supply Form.

CUSTOMER CONTRIBUTION IN AID OF CONSTRUCTION COSTS

Article 67 of the Operating Regulations of the Taiwan Power Company provides that the contributions in aid of construction costs paid by customers applying for new or increased regular power supplies will be assessed according to the following methods:

Contributions for expansion construction:

- Lighting service (including flat rate lighting, separate from meter rate lighting and street lighting): assessed based on the number of applying users according to the approved contribution for expansion construction unit prices.
- Power service: Assessed based on the kilowatts of contracted capacity applied for by the customer according to the approved contribution for expansion construction unit prices (Appendix 1 to Operating Regulations of the Taiwan Power Company).

Contributions for new construction:

Where the length of a newly constructed (or added) power line measured from the power source end exceeds 5,000 meters, the customer contribution for the portion in excess of 5,000 meters will be assessed based on the separate

lengths of elevated and underground power lines according to the approved contribution for new construction unit prices.

Example calculations:

Company A applies for new installation of low-tension power service for one user, with a contracted capacity of 140 kW. New construction of 150 meters of external power line is required. The customer contribution to construction costs is as follows:

Contribution for expansion construction:

NT\$2,199 x 140 kW = NT\$307,860 (tax inclusive)

Contribution for new construction:

NT\$0 (not assessed for construction of new power line less than 5,000 meters in length)

Contribution to power line construction payable by Company A (tax inclusive):

expansion contribution + new construction contribution = NT\$307,860

Contribution to power line construction payable by Company A (tax exclusive):

NT\$307,860 ÷ 1.05 = NT\$ 293,200

APPLICATION PROCESSING STATUS INQUIRY

Customers can check the processing status of an application online at the TPC E-Counter (<http://wapp.taipower.com.tw/naweb/apfiles/nawp090.htm>) by entering the customer name and application receipt number.

MAIN POINTS OF REFORM IN 2014

To establish a faster and more convenient registration window for transfers of real property, taking reference from suggestions in the World Bank's Doing Business report, Taipei City Government on October 1, 2013 set up one-stop windows for combined registration of real property transfers and payment of attendant taxes in each of its district land offices (real estate registries). The main details of this reform, which enhances administrative efficiency and speeds up the registration process, are as follows:

Taipei City Government's promulgation of Operational Directions for the one-stop windows (effective from October 1, 2013)

To simplify the process for registering the sale and transfer of ownership of land and buildings in Taipei City, Taipei City Government on September 18, 2013 promulgated the Operational Directions for the One-Stop Window Processing of Land and Building Sales by the Taipei City Land Administration and Revenue Authorities (as appended), which went into effect on October 1, 2013.

The provision of integrated service through one-stop windows (October 1, 2013)

Taipei City Government set up revenue service counters in all district land offices, to serve as one-stop windows for the city government's land administration and revenue service authorities. It also set operational directions and standard operating procedures for the windows to register transfer of ownership for simple real estate sales or those also involving the creation of mortgages, in cases meeting stipulated conditions. The windows commenced the provision of cross-agency, cross-district integrated service on October 1, 2013.

Speed efficiency of the one-stop windows

Point 6 of the Operational Directions for the One-Stop Window Processing of Land and Building Sales by the Taipei City Land Administration and Revenue Authorities stipulates that the whole registration process for cases of simple sale must be completed in two working days, and for cases that also involve the creation of a mortgage, must be completed in three working days. Since the World Bank case example is a simple sale that does not involve the creation of a mortgage, the procedure for registration of transfer can be completed in two working days.

Launch of a Chinese-English global website for the one-stop windows (December 20, 2013)

- A. Taipei City Government's Department of Land set up a one-stop window website in Chinese and English, and launched it into service on December 20, 2013. This website can be used for downloading application forms and inquiring on case progress. It also presents the operational directions for the windows, explanation of their operating procedure, and statistical data on their case handling. (The website's English content is at <http://english.land.taipei.gov.tw/ct.asp?xItem=70653638&CtNode=70422&mp=111002> and its Chinese content at <http://www.land.taipei.gov.tw/ct.asp?xItem=59183952&CtNode=67365&mp=111001>.)
- B. The one-stop windows' case-handling statistics

From October 1, 2013 through March 2014, the one-stop windows set up by the Taipei City Government land administration and tax authorities in district land offices processed a total of 4,911 registration cases involving 4,977 land plots and 4,394 buildings. Details are shown in Table 2 below.

Table 2 **Statistics for land and building sale cases processed by the one-stop windows of Taipei City Government's land and revenue authorities**

Month and Year	Number of Cases Processed	Number of Land Plots	Number of Buildings
Oct. 2013	858	872	768
Nov. 2013	775	772	718
Dec. 2013	983	1,006	862
Jan. 2014	869	880	770
Feb. 2014	638	647	567
Mar. 2014	788	800	708
Total	4,911	4,977	4,394

Source: Taipei City Government Department of Land.

COMPARISON OF BEFORE AND AFTER REFORM

The 2013 survey

Item no.	Procedure	Time to complete	Associated costs
1	Buyer researches the property rights and encumbrances registered against the property at the registry of titles	0.5 day	NT\$20 per page
2	Buyer pays the deed tax and stamp duty at the local government office	0.5 day	6% of the property's "standard price" (deed tax) + 0.1% of property value (stamp duty) = 6.1% of property value
3	Registration of transfer of title at the local government land office	3 days	0.1% of property value (registration fee) + NT\$80 for new ownership certificate
Total		4 days	6.2% of property value

Note: Online procedures are counted as 0.5 of a day in time calculation.

2014 reform and corrections

Item no.	Procedure	Time to complete	Associated costs
1	Buyer pays the deed tax and stamp duty at the local government office (online filing)	0.5 day	6% of the property's "standard price" (deed tax) + 0.1% of property value (stamp duty) = 0.58% of property value
2	Registration of transfer of title at any district land office in Taipei City	2 days	0.1% of property value (registration fee) + NT\$80 for new ownership certificate
total		2.5 days	0.68% of property value

Note: Online procedures are counted as 0.5 of a day in time calculation.

EXPLANATION OF CORRECTION AND REFORM

• Procedures: 3 procedures reduced to 2

The World Bank example assumes that both parties to the sale have recognized that the property is wholly owned by the seller, free from encumbrances, and legally registered. Therefore, research by the buyer on the property rights and encumbrances attaching to the property should be an act of information gathering conducted by both parties prior to the sale, and is not a necessary procedure of property registration. Hence, procedure 1 should be deleted, and the 3 procedures reduced to 2.

• Time: Shortened from 4 days to 2.5 days

"Buyer researches the property rights and encumbrances registered against the property" (recorded as procedure 1 in the 2013 survey result) is not a necessary procedure for registering property, and should therefore be deleted, reducing the total time for completion by 0.5 day. Also, the procedure for buyer paying the deed tax and stamp duty at the local government office can be conducted online, and therefore the time needed for this should be reduced to half a day in accordance with the new computation standards of Doing Business 2014.

The property registration in this case would be handled by one of the one-stop windows of the land administration and revenue service authorities set up in all district land offices (registries) by Taipei City Government on October 1, 2013. Since it is a simple sale and does not involve the creation of a mortgage, the registration process must be completed in two working days, as stipulated in the applicable regulatory directions. Hence, the time needed to complete registration of transfer of title at a land office in Taipei should be further reduced by one day.

- **Cost: Corrected to 0.68% of the property value**

The deed tax and stamp duty payable by the buyer amount to 0.58% of the property value.

- A. Under the provisions of Articles 2, 3, 4 and 13 of the Deed Tax Act, the deed tax that must be paid by the buyer is calculated at 6% of the "standard price" of the property as determined by the local real property assessment committee. The standard price is calculated according to a certain formula applied to a data table in respect of the property's structure, serviceable life, rate of depreciation, and street/road grade, as publicly announced by the committee.
- B. Applying the above to the World Bank's survey example, the deed tax payable by the buyer would represent only 0.48% of the property value. Its calculation is as follows:

Deed tax = the standard price × 6%

Standard price = the determined unit value × (1 - depreciable years × depreciation rate) × street grade adjustment rate × property area

- a. Determined unit value: This example is a 2-story warehouse, which belongs to the 4th category of "warehouse" under Taipei City's "Purpose Distribution Table". According to the "Table of Standard Unit Values for Building Constructions under 35 Stories in Taipei City", the average unit value for a Category 4 2-story steel reinforced concrete (2,560) and reinforced (precast) concrete (1,690) warehouse, as in the example, yields a determined unit value of NT\$2,125 (1,690 + 2,560 ÷ 2) per square meter.

- b. $(1 - \text{depreciable years} \times \text{depreciation rate})$: In this example, the property is a 10-year-old warehouse. According to the "Taipei City Table of Service Life and Depreciation Rates of Various Categories of Buildings", the annual depreciation rate of a steel reinforced concrete or reinforced (precast) concrete warehouse is 1%, so $1 - 10 \times 1\% = 90\%$.
- c. Street/road grade adjustment rate: This example is a warehouse located in a periurban area of Taipei. Assuming this warehouse is located in Minquan East Road Section 6 in Neihu District, then according to the "Table of Street and Road Grade Adjustment Rates for Buildings in Taipei", we can assume an adjustment rate of 140% (the adjustment rates for Neihu District are between 100% and 150%).
- d. The warehouse in this survey example has a total floor area of 929 m² with a property value of NT\$31,156,877.
- e. The standard price of the building = $(1,690 + 2,560) \div 2 \times 90\% \times 140\% \times 929 = \text{NT\$}2,487,398$.
- f. The deed tax on the building = the standard price $\times 6\% = 2,487,398 \times 6\% = \text{NT\$}149,244$.
- g. The ratio of the deed tax to the value of the property = $(149,244 \div 31,156,877) \times 100\% = 0.48\%$.
- C. Article 7 Subparagraph 3 of the Stamp Tax Act stipulates that tax stamps for 0.1% of the contract price must be affixed to each contract for the sale of real property, by the person executing the contract or drawing up the receipt. In most cases as per the customary practice in Taiwan, the stamp tax on real property transactions is generally paid by the buyer.
- Stamp tax = contract price (property value) $\times 0.1\% = 31,156,404 \times 0.1\% = \text{NT\$}31,157$.
- D. The buyer must pay deed tax of NT\$149,244 and stamp tax of NT\$31,157, adding up to NT\$180,401, which represents 0.58% of the property value.
- E. Hence, according to the assumptions of the World Bank case example, the buyer's

deed tax (0.48%) and stamp duty (0.1%) costs represent only 0.58% of the property value.

The buyer pays a 0.1% registration fee for registering the transfer of ownership at the land registry.

- A. Article 46 of the Regulations on Land Registration stipulates that a fee for land registration must be paid pursuant to the provisions of the Land Act. Article 2 of the same regulations stipulates that "land registration" for this purpose refers to the registration of the ownership of, and other rights over, land and constructional improvements (buildings) thereon.
- B. Article 76 of the Land Act stipulates that, in applying for the registration of any change in a land right, the obligee shall pay a registration fee at the rate of 0.1 per cent of the declared value of the land or 0.1 per cent of the value of any right over it other than ownership, as the case may be. Hence, the fee payable by the buyer for registering transfer of ownership at the land registry will not be more than 0.1% of the actual sale price (the property value).
- C. After completing the registration of a change in a land right, the land registry will issue a certificate of ownership to the right holder (the buyer). As stipulated by the provisions of the Fee Collection Standards for Land or Constructional Improvement Rights Certificates and Applications to Use Cadastral Information, the fee for such certificate is NT\$80 per copy.

In the World Bank's example, the cost of property registration for a buyer in Taiwan would amount to only 0.68% of the property value, not 6.2%.

Appendix

Operational Directions for the One-Stop Window Processing of Land and Building Sales by the Taipei City Land Administration and Revenue Authorities

Promulgated on September 18, 2013 and effective on October 1, 2013

Point 1

These Directions are prescribed to simplify the operational process for registering transfer of ownership from the sale of land and buildings (hereinafter referred to as “sale”) in Taipei City (hereinafter referred to as “Taipei”) and enhance service to the public, by applying the service concept of “a one-stop window for whole-process service” to integrate service across agencies through the establishment of revenue service counters in all of Taipei’s land offices, so as to integrate land administration and revenue agencies and provide cross-agency, cross-district one-stop window integrated service.

Point 2

These Directions apply to sales that satisfy the following conditions:

- (1) The buyer and seller apply to register a simple sale, or a sale that also involves the creation of a mortgage, under a Contract for the Sale and Transfer of Ownership of Land and Constructional Improvement. However, these Directions shall not apply to cases where the buyer or seller is a foreign national, cases deemed as gifts under the provisions of Article 5 of the Estate and Gift Tax Act, or cases of disposal that come within the provisions of Article 34-1 of the Land Act.
- (2) Declarations for land value increment tax and deed tax for the case are filed online.
- (3) The case involves the transfer of no more than two items of land and buildings in total.
- (4) The case applicants consist of no more than one obligee and one obligor.

Point 3

Where a sale satisfies the provisions of the preceding Point, an application for cross-office registration may be made in accordance with the Implementation Rules for Cross-Office Registry among Land Offices under the Department of Land, Taipei City Government.

Point 4

Process Window

- (1) Revenue service desks set up in every district land office in Taipei shall accept and process land and building tax payment matters for the whole area of Taipei.
- (2) The full-function counters of Taipei's district land offices shall accept and process all applications for the registration of the sale of, and the creation of mortgages for, land and buildings within Taipei.

Point 5

Process

- (1) Tax Payment Check:

The applicant or the applicant's representative files a tax declaration via the Local Tax Online Declaration System, prints out the forms for payment of land value increment tax, deed tax, and stamp duty, and after paying the taxes, takes the tax payment receipts and the Land Value Increment Declaration Form stamped with the seals of the obligor and obligee, the Deed Tax Declaration Form stamped with the seal of the obligee, and the original of the Contract for the Sale and Transfer of Ownership of Land and Constructional Improvement to the revenue service desk of any district land office in Taipei to complete the tax process.

- (2) Receipt of Application:

The applicant delivers the documents to the full-function counter.

- (3) Calculation and Collection of the Prescribed Fee:

For land, one thousandth of the declared value; for buildings, one thousandth of the value as approved by the revenue service for the payment of deed tax.

(4) Examination:

Applications are examined by the land office, which will notify the applicant of any deficiency that may be corrected, and the applicant may make correction or supplementation one time.

(5) Registration:

Registration will be carried out by the land office upon completing the examination and finding no deficiency.

(6) Issuance of Certificate:

The land office will issue a certificate upon completion of registration.

Point 6

Time Limit for Processing:

- (1) The whole process for registering a simple sale shall be completed in two working days.
- (2) The whole process for registering a sale and creation of a mortgage shall be completed in three working days.

Point 7

Other sales not covered by the provisions of these Directions shall be processed in accordance with ordinary application procedures.

In Doing Business 2014 published by the World Bank in October 2013, Taiwan was ranked 73rd in the Getting Credit index. Having mapped out a two-year reform plan pertaining to this indicator, Taiwan completed reforms to improve its performance in the Getting Credit index's two component indicators, the depth of credit information index and the strength of legal rights index, before the end of April 2014, respectively as follows:

PART 1

THE DEPTH OF CREDIT INFORMATION INDEX

In Doing Business 2014 published by the World Bank in October 2013, Taiwan scored five points out of six in the depth of credit information index. The single item for which it failed to score a point was addressed by a reform program, under planning for two years and completed on April 16, 2014, to improve the database sources of the Joint Credit Information Center (JCIC).

MAIN POINTS OF REFORM IN 2014

During November 2013 to April 2014, Taiwan carried out the following reforms to deepen credit information by improving the JCIC's database with the inclusion of credit information from sources other than financial institutions and credit card companies:

Connection of the Taipei Leasing Association (TLA) database to the JCIC database (February 27, 2014)

The TLA (website: <http://tpleasing.com/>) has the greatest organizational scale of Taiwan's leasing associations. Its membership includes 28 large automobile dealers, finance-leasing companies, leasing companies, and asset management companies, with capital amounting to NT\$64.8 billion. Financing undertaken by its members reached more than NT\$225 billion in 2013, and has cumulatively exceeded NT\$1.5 trillion over the past ten years.

The TLA has set up its own customer credit database, which yearly adds more than 600,000 pieces of information on businesses and individuals, and has accumulated upward of several million pieces of such information. The work of connecting this database to the JCIC was completed on February 27, 2014, when it was opened to searches by JCIC members, with the JCIC providing a more convenient electronic search mode for TLA members.

With this, JCIC members and TLA members can use the JCIC to directly obtain credit information on borrowers financed by TLA members.

Connection of the small and medium enterprise (SME) financing platform database to the JCIC database (February 27, 2014)

Taiwan set up an SME financing platform database in 2006, to help SMEs smoothly obtain financing and to serve as an assessment aid for the government provision of SME credit guarantees. As of April 10, 2014, the database included company registration, tax payment, and electricity and water bill payment information in the scope of its data collection.

The connection of the SME financing platform database to the JCIC database was carried out in three stages:

- A. In stage 1, on November 1, 2013 the SME financing platform was opened to JCIC members (financial institutions) for inquiries on company registration, tax payment, and electricity bill payment information.
- B. In stage 2, on February 27, 2014 the SME financing platform was opened to JCIC members (financial institutions) for inquiries on Taiwan Water Corporation's water billing information.
- C. In stage 3, on April 10, 2014, the SME financing platform was opened to JCIC members (financial institutions) for inquiries on Taipei Water Department's water billing information.

With this, JCIC members and TLA members can use the JCIC to directly obtain credit information pertaining to borrowers' electricity and water bill payment.

Connection of the Nationwide Personal Property Secured Transactions Public Inquiry Website database to the JCIC database (April 16, 2014)

Taking reference from the World Bank's Doing Business report and the UNCITRAL Legislative Guide on Secured Transactions, Taiwan integrated the 16 geographically dispersed movable property secured transaction registries by setting up the Nationwide Personal Property Secured Transactions Public Inquiry Website (<http://ppstrq.nat.gov.tw>), completing the website's establishment and commencing its online service on March 26, 2014. With an electronic database containing around 900,000 pieces of information, this public inquiry website integrates information from movable property secured transaction registries nationwide, differentiated by asset type and secured transaction type, and indexed by debtors' names.

The database of this public inquiry website includes information on the monetary amounts and asset types of movable property pledged as collateral for loans extended to businesses or individuals by banks, automobile dealers, finance-leasing companies, leasing companies and individuals. The task of connecting this database to the JCIC's database, to enhance the latter's data sources, was completed on April 16, 2014.

With this, JCIC members and TLA members can use the JCIC to directly obtain more complete credit information on movable property collateral pledges or installment transactions of businesses or individuals.

COMPARISON OF BEFORE AND AFTER REFORM

Expanded scope of JCIC database sources

After the completion of this reform on April 16, 2014, the JCIC's database sources include financial institutions (banks and insurance companies), consumer finance systems (credit card companies), government institutions (courts, Ministry of Finance tax data, utility companies), and credit sale systems (automobile dealers, finance-leasing companies, leasing companies, and asset management companies). Table 3 below shows a comparison of the sources before and after reform.

Table 3 **Comparison of JCIC database sources before and after reform**

	2013 (before reform)	2014 (after reform)
Database sources	<ol style="list-style-type: none"> 1. Financial institutions: Banks and insurance companies. 2. Consumer finance systems: Credit card companies. 3. Government institutions: Courts. 	<ol style="list-style-type: none"> 1. Financial institutions: Banks and insurance companies. 2. Consumer finance systems: Credit card companies. 3. Government institutions: Courts, Ministry of Finance tax data, utility companies (water and electricity). 4. Credit sale systems: Automobile dealers, finance-leasing companies, leasing companies, and asset management companies.

Change of survey score for the depth of credit information index

With the completion of the Reform Plan for Enhancing JCIC Database Sources on April 16, 2014, Taiwan should score an additional point for question 3 of the depth of credit information index survey. Table 4 below shows a comparison of before and after reform.

Table 4 **Change to Taiwan's depth of credit information index survey before and after reform**

Depth of credit information index	2013 survey	2014 after reform
Are data on both firms and individuals distributed?	Yes	Yes
Are both positive and negative data distributed?	Yes	Yes
Does the registry distribute credit information from retailers, trade creditors or utility companies as well as financial institutions?	No	Yes
Are more than 2 years of historical credit information distributed?	Yes	Yes
Is data on all loans below 1% of income per capita distributed?	Yes	Yes
Is it guaranteed by law that borrowers can inspect their data in the largest credit registry?	Yes	Yes
Score	5 points	6 points

SUPPLEMENTARY EXPLANATION

The following supplementary explanation pertains to question 3 of the survey, "Does the registry distribute credit information from retailers, trade creditors or utility companies as well as financial institutions ? "

Credit data from retailers

Since Taiwan's market is relatively small, and in view of the costs of establishing credit databases and issuing credit cards, Taiwan's department stores, hypermarkets and other retailers generally opt to issue co-branded credit cards in collaboration with banks or credit card companies. Banks and credit card companies have already been incorporated into the JCIC's credit reporting system, and must periodically report cardholders' credit card data, card use status and payment records to the JCIC.

Hence, the JCIC can fully collect positive and negative data on card transactions between individuals and retailers via this reporting mechanism, and can provide this data for reference or use by other banks or credit card companies.

Credit data from trade creditors

TLA's leasing company members mainly engage in finance-leasing, installment sale (including conditional sale), accounts receivable purchase (ARP), and operating lease of motor vehicles. The nature of these main business activities makes the members close to what the World Bank questionnaire refers to as "trade creditors" (firms providing commercial credit to corporate clients, sometimes called supplier credit). The following is an explanation of TLA members' main business activities:

- **Machinery and equipment finance-leasing:** When an SME needs to purchase and install machinery or equipment, it will negotiate the purchase of this from a certain supplier, commission a leasing company to make the purchase on its behalf, and then lease it from the leasing company by way of finance-leasing. When the SME has made all of the lease payments as required by the lease agreement, it will formally obtain ownership of the machinery or equipment. Before the leasing company signs the lease agreement, it will first conduct a credit risk assessment of the SME customer, to confirm that the customer has such a need and is able to make the lease payments.

- **Installment sale:** This mainly serves to address customers' raw material or inventory financing needs. After pre-assessing the credit risk, the leasing company makes the purchase to enable the customer to pay in installments, with the customer gaining ownership upon completing full payment of the purchase price.
- **Accounts receivable business:** In ARP, a supplier sells certain machinery or equipment to a customer on an installment sale or conditional sale basis, and once the customer has checked and accepted the machinery or equipment and opened a repayment bill, the supplier will assign the customer's payment obligation and the bill to the leasing company. Before purchasing the account receivable as aforesaid, or after conducting a credit risk assessment of the buyer, the leasing company will decide the terms of purchase and whether the right of recourse for the account receivable should include a right of recourse against the seller.

PART 2

THE STRENGTH OF LEGAL RIGHTS INDEX

MAIN POINTS OF REFORM IN 2014

The launch of online service by the Nationwide Personal Property Secured Transactions Public Inquiry Website (March 26, 2014)

Taking reference from the World Bank's Doing Business report and the UNCITRAL Legislative Guide on Secured Transactions, Taiwan integrated the 16 geographically dispersed movable property secured transaction registries by setting up the Nationwide Personal Property Secured Transactions Public Inquiry Website (<http://ppstrq.nat.gov.tw>), completing the website's establishment and launching its online service on March 26, 2014.

The electronic database of this public inquiry website integrates information from movable property secured transaction registries nationwide, differentiated by asset type and secured transaction type, and indexed by debtors' names. Whereas, in the past, each registry had different application forms and different modes of announcement, the online service provided by this public inquiry website uses a uniform application form and uniformity of announcement.

In concert with the going online of this public inquiry website, amendment was made to Article 14 of the Enforcement Rules of the Personal Property Secured Transactions Act (see Appendix), to clearly stipulate that, after completing registration, registries must post transactions on the Nationwide Personal Property Secured Transactions Public Inquiry Website.

Relaxation of the rules to allow movable property secured transactions to be registered with a general description of the collateral (March 26, 2014)

Originally, the Personal Property Secured Transaction Act only allowed transactions to be registered with a specific description of the collateral. Taking reference from the World Bank's Doing Business report and the UNCITRAL Legislative Guide on Secured Transactions, Taiwan relaxed the rules to allow registration with a general description when the parties so agree by contract. This exemption from mandatory requirement of specific description enables registration to be conducted at lower cost.

In conjunction with the easing of the rules to allow registration with a general description, a new provision was added to Article 7 Paragraph 2 of the Enforcement Rules of the Personal Property Secured Transactions Act (see Appendix), stipulating that, where the parties so agree by contract, they may sufficiently identify the subject property by general description of its name, quantity and location in the application form for registration of a movable property secured transaction.

COMPARISON OF BEFORE AND AFTER REFORM

With the provision of online service by the Nationwide Personal Property Secured Transactions Public Inquiry Website (<http://ppstrq.nat.gov.tw>) and the amendment of Articles 7 and 14 of the Enforcement Rules of the Personal Property Secured Transactions Act on March 26, 2014, Taiwan should score additional points for questions 2 and 6 of the survey for the strength of legal rights index. Table 5 below shows a comparison of before and after reform.

Table 5 **Change to Taiwan's strength of legal rights index survey before and after reform**

Strength of legal rights index	2013 survey	2014 after reform
Can any business use movable assets as collateral while keeping possession of the assets; and any financial institution accept such assets as collateral ?	Yes	Yes
Does the law allow businesses to grant a non-possessory security right in a single category of movable assets, without requiring a specific description of collateral ?	No	Yes
Does the law allow businesses to grant a non-possessory security right in substantially all of its assets, without requiring a specific description of collateral ?	No	No
May a security right extend to future or after-acquired assets, and may it extend automatically to the products, proceeds or replacements of the original assets ?	No	No
Is a general description of debts and obligations permitted in collateral agreements; can all types of debts and obligations be secured between parties; and can the collateral agreement include a maximum amount for which the assets are encumbered?	Yes	Yes
Is a collateral registry in operation, that is unified geographically and by asset type, with an electronic database indexed by debtor's names ?	No	Yes
Are secured creditors paid first (i.e. before tax claims and employee claims) when a debtor defaults outside an insolvency procedure ?	Yes	Yes
Are secured creditors paid first (i.e. before tax claims and employee claims) when a business is liquidated ?	Yes	Yes
Are secured creditors either not subject to an automatic stay on enforcement when a debtor enters a court-supervised reorganization procedure, or does the law provide secured creditors with grounds for relief from an automatic stay or/and sets a time limit to it ?	No	No
Does the law allow parties to agree in a collateral agreement that the lender may enforce its security right out of court, at the time a security interest is created ?	Yes	Yes
Score	5 points	7 points

Appendix

Articles 7 and 14 of the Enforcement Rules of the Personal Property Secured Transactions Act promulgated and effective on March 26, 2014

Current Text as Amended	Original Text
<p>Article 7</p> <p>The registration application form shall include the following information:</p> <ol style="list-style-type: none"> 1. Cause of registration. 2. For the subject property under registration, the name, type, specifications, brand, quantity, manufacturer, manufacturing model, engine number, date of manufacture, location, and, if a license is held, the license number. 3. Registration authority. 4. Date of application. 5. For each applicant, provide the name of the individual or entity, date of birth, national ID number, government uniform invoice number or tax ID number, and domicile/residence or place of business. 6. If the application is filed by an agent or agents, the name, national ID number, date of birth, and domicile of each agent. 7. The type and amount of the secured claim. 8. Other matters required to be recorded. <p>In respect of the matters referred to in Subparagraph 2 of the preceding paragraph, where the parties so agree by contract, the subject property under registration may be adequately identified by a general description of the property's name, quantity and location.</p>	<p>Article 7</p> <p>The registration application form shall include the following information:</p> <ol style="list-style-type: none"> 1. Cause of registration. 2. For the subject property under registration, the name, type, specifications, brand, quantity, manufacturer, manufacturing model, engine number, date of manufacture, location, and, if a license is held, the license number. 3. Registration authority. 4. Date of application. 5. For each applicant, provide the name of the individual or entity, date of birth, national ID number, government uniform invoice number or tax ID number, and domicile/residence or place of business. 6. If the application is filed by an agent or agents, the name, national ID number, date of birth, and domicile of each agent. 7. The type and amount of the secured claim. 8. Other matters required to be recorded.
<p>Article 14</p> <p>After completing a registration, the registration authority shall publish the registration on the Nationwide Personal Property Secured Transactions Public Inquiry Website or publicly announce it by another appropriate means pursuant to Article 8 of the Act.</p>	<p>Article 14</p> <p>After completing a registration, the registration authority shall publish the registration on a website or publicly announce it by another appropriate means pursuant to Article 8 of the Act, for a period of 30 days.</p>

MAIN POINTS OF REFORM IN 2014

From June 2013 through May 2014, the main points of reform involving the time taken to pay taxes were as follows:

Revising the Regulations Governing Assessment of Profit-Seeking Enterprise Income Tax (April 9, 2014)

In accordance with the International Financial Reporting Standards (IFRS) adopted in Taiwan in 2013, amendments to the provisions of Article 2, paragraph 2 of Article 24, paragraph 1 of Article 36-2, Article 95, and Article 111 of the Regulations Governing Assessment of Profit-Seeking Enterprise Income Tax were promulgated on April 9, 2014 in order to decrease discrepancies between financial accounting and taxation laws.

For the purpose of simplifying provisions on the recognition of losses by profit-seeking enterprises and establishing uniform principles for their handling, amendments to Article 38, Article 67, Article 74, Article 95, and Article 99 of the Regulations Governing Assessment of Profit-Seeking Enterprise Income Tax were promulgated on April 9, 2014.

Simplifying the format of the 2013 Profit-Seeking Enterprise Income Tax Return and related forms (January 28, 2014)

On January 28, 2014, amendments were approved to the format of the 2013 Profit-Seeking Enterprise Income Tax Return (hereafter referred to as "business income tax") and related documents. Three columns and two tables were removed, the number of attachments was reduced by one, the content of two tables was simplified, and the number of stamping places was reduced by 23.

Enhancing the convenience of business income tax payment (June 1, 2013)

When profit-seeking enterprises used the Internet to file their 2012 business income tax returns and 2013 provisional income tax returns in 2013, they could choose to use

their MOEACA IC cards to verify their identities when transferring tax payments from their demand deposit bank accounts. This enhanced the convenience of business income tax payment, and further reduced the time needed for paying taxes in 2013.

EXPLANATION OF THE EFFECTS OF TIME-RELATED TAX PAYMENT REFORMS

Preparation time

Amendments to provisions of the Income Tax Act, the Enforcement Rules and Audit Guidelines of the Income Tax Act and other legislation to bring them into line with the Business Entity Accounting Act, the Statements of Financial Accounting Standards, and the IFRS reduce discrepancies between financial accounting and tax law requirements, and decrease the time that businesses need to spend gathering tax-related information, analyzing tax sensitive items, and adjusting for differences between financial and tax accounting.

Amendments to the Procedural Directions for the Electronic Filing of Profit-Seeking Enterprise Income Taxes provide that attachments to business income tax filings submitted online may be submitted to revenue agencies on optical disc, and that filings which meet certain conditions are exempt from submitting optical disc. This can reduce the time needed by business entities to gather, photocopy, and attaching filing attachments.

The simplification of the format of the business income tax return reduces the time that businesses need to spend gathering tax-related information.

When businesses prepare tax returns online or with electronic media, once the return information is entered into the tax declaration software, the program can instantly calculate the business income tax payable, reducing the time businesses spend on tax calculations.

Filing time

By filing business income tax returns and provisional tax returns online, businesses can save time that would otherwise be spent requesting and submitting a return, waiting in line at service counters, and on other tasks.

The simplification of the format of the business income tax return reduces the time that businesses need to spend filling out tax returns.

Tax payment time

When businesses prepare tax returns online or with electronic media, once the return information is entered into the tax declaration software, the program can instantly calculate the profit-seeking income tax payable, reducing the time businesses spend on tax calculations.

Allowing businesses to transfer tax payments online provides greater diversity and simplification of tax payment channels, helping to reduce the time businesses spend paying taxes.

Explanation of Corrections

According to the Doing Business 2014 report issued by the World Bank in October 2013, the amount of time needed to file profit-seeking enterprise income taxes in Taiwan is 161 hours. This figure does not correspond with the actual time spent, approximately 68 hours. In addition, vehicle license taxes are collected from most profit-seeking enterprises in Taiwan once a year, and businesses have been able to pay this tax via the Internet since 2012. According to the World Bank rules on calculating the number of tax payments, the number of vehicle license tax payments should be reduced from two to one. These corrections are detailed below.

- **Time spent filing profit-seeking enterprise income tax returns should be revised to 68 hours**
 - A. According to survey results from the National Federation of Certified Public Accountant Associations of the Republic of China, the actual time spent paying business income taxes by a standard medium-size company in Taiwan meeting

the aforementioned conditions is 68 hours. The number of hours reported in the Doing Business 2014 survey is 161 hours, which does not correspond to the actual circumstances.

- B. The results of the survey for Doing Business 2014 are compared with time estimates for filing profit-seeking income taxes from the Taxation Administration (Ministry of Finance) in Table 6

Table 6 **Comparative Analysis of Discrepancies in Profit-Seeking Enterprise Income Tax Filing Times**

Item		2013 Survey (hours)	Actual time (hours)	Discrepancy (hours)
1. Preparation				
1	Gathering of internal company tax return information (e.g. accounting records)	40	4	36
2	Additional accounting information analysis for tax-sensitive items	40	30	10
3	Calculation of actual tax payable (including input of data into software or hardware)	27	6	21
4	Preparation and maintenance of records and account books created specifically for tax purposes	38	18	20
5	Adjusting for and analyzing discrepancies between total business revenue declared for business tax and sales income subject to business tax	2	2	0
Subtotal		147	60	87
2. Filing				
1	Completing return	10	5	5
2	Submitting return	1	1	0
Subtotal		11	6	5

Item		2013 Survey (hours)	Actual time (hours)	Discrepancy (hours)
3. Payment				
1	Calculating tax payable on return	1.5	0.5	1
2	Analyzing projected data and calculating provisional tax payment	0.5	0.5	0
3	Payment of tax	1	1	0
Subtotal		3	2	1
Total		161	68	93

- **Number of payments of vehicle license tax should be revised to one**

- A. The method used by the World Bank survey to determine number of tax payments is to calculate the sum total of the number of times a business must file and pay each type of tax each year; if a tax may be filed and paid entirely online, and the majority of small and medium enterprises use this method, the number of payments of the tax is calculated as one per year regardless of how many payments are actually made.
- B. Taiwan's vehicle license tax for general private vehicles is collected once annually, while the collection of taxes on vehicles for commercial use may be divided into two periods. Commercial vehicle refers to those used by passenger or cargo transportation enterprises as stipulated by Article 34 of the Highway Act, such as taxicabs, tourist buses, and rental cars. Therefore, with the exception of commercial vehicles used by passenger and cargo transportation enterprises, for which vehicle license taxes are paid twice annually, vehicle license taxes for the vast majority of vehicles used by businesses are levied according to standards for general private vehicles, and are only paid once each year.

C. According to statistics, there are 618,308 profit-seeking enterprises paying vehicle license taxes in Taiwan, of which 11,439 (approximately 1.85%) operate passenger or cargo transportation businesses and need to pay vehicle license taxes twice a year. The remaining 606,869 businesses (approximately 98.15%) only need to pay vehicle license taxes once a year. Furthermore, Taiwan has implemented tax payment by online demand deposit (savings) account transfers since April 2012, allowing businesses to pay vehicle license taxes by account transfer via the Tax Online website (<https://paytax.nat.gov.tw>) for greater convenience. In accordance with the World Bank survey methodology for the "Paying Taxes" index, the number of payments for vehicle license taxes should, therefore, be revised from two to one.

Appendix

Overview of Tax Return Simplification Measures Instituted from June 2013 through May 2014 and Their Effects

Simplification Measure	Effect	World Bank Survey Item
<p>1. Amended provisions of the Regulations Governing Assessment of Profit-Seeking Enterprise Income Tax promulgated on April 9, 2014 in accordance with the International Financial Reporting Standards in order to decrease discrepancies between financial accounting and taxation laws:</p> <p>(1) Expanded the basis for the preparation of financial reports by businesses to include the IFRS approved by the Financial Supervisory Commission. (Article 2)</p> <p>(2) Added a provision regarding the cost recovery method in keeping with IFRS methods for the calculation of project profit and loss. (Paragraph 2, Article 24,)</p> <p>(3) Added provision on recognition of financing leases by profit-seeking enterprises in accordance with the IFRS. (Paragraph 1, Article 36-2)</p> <p>(4) Revised the various major components of fixed assets, allowing individual depreciation according to prescribed service life. (Article 95)</p> <p>(5) Removed tax provision on retroactive adjustments to profit-seeking enterprise revenue, costs, and expense accounting entries under profit and loss from a prior period due to changes in accounting principles. (Article 111)</p>	Reduced data preparation time	Preparation
<p>2. For the purpose of simplifying provisions on the recognition of losses by profit-seeking enterprises and establishing uniform principles for their handling, the following amendments were made to Regulations Governing Assessment of Profit-Seeking Enterprise Income Tax on April 9, 2014 in order to assist both taxpayers and tax agencies in complying with them:</p> <p>(1) Where a profit-seeking enterprise is not given a uniform invoice by a counterpart in a transaction, a purchase loss or expenditure loss honestly recorded in its account books, and for which proof can be provided, will be recognized. (Article 38, Article 67)</p>	Reduced data preparation time	Preparation

Simplification Measure	Effect	World Bank Survey Item
<p>(2) Lodging expenses for domestic business travel, proof of overseas business travel substituting for lost boarding passes, highway electronic toll collection lane fees, and other evidentiary documents. (Article 74)</p> <p>(3) Where an asset used by a profit-seeking enterprise is destroyed or abandoned before reaching the number of years prescribed in the Revised Table of Service Life of Fixed Assets, a report must be put on file in advance; assets destroyed or abandoned after reaching their prescribed service lives are exempt from reporting procedures. (Article 95)</p> <p>(4) Added point in time for recognition of loss of investment in investee companies which have undergone court-ordered reorganization and in which investment has been reduced, and documents which may prove loss of investment in overseas investee enterprises without substantive operating activities. (Article 99)</p>	Reduced data preparation time	Preparation
<p>3. Simplified the content of the Profit-Seeking Enterprise Income Tax Return (hereafter referred to as the "business tax return") and related forms</p> <p>(1) Amendments were approved to the format of the 2013 Profit-Seeking Enterprise Income Tax Return and related documents on January 28, 2014. Three columns and two tables were eliminated, and the number of appendices was reduced by one:</p> <p>A. Eliminated the "addition (deduction) item notes" column from the Schedule of Business Expenses table on page 4 of the business income tax return.</p> <p>B. Eliminated the "tax agency authorization document number" column to be completed from the "labor and employee pension" item in the standard calculation table for items with listing limitations stipulated by the Income Tax Act on page 6 of the business income tax return.</p> <p>C. Eliminated the "percentage of dividends, extra dividends, director and supervisors' compensation, employee bonuses, and other distributions" column to be completed in the tax credit percentage calculation table on page 15 of the business income tax return form.</p>	Reduced data preparation and filing time	Preparation, Filing

Simplification Measure	Effect	World Bank Survey Item
<p>C. Eliminated the "percentage of dividends, extra dividends, director and supervisors' compensation, employee bonuses, and other distributions" column to be completed in the tax credit percentage calculation table on page 15 of the business income tax return form.</p> <p>D. Removed the "schedule of applicable income tax exemption provisions for payments made to foreign profit-seeking enterprise" on page 5 of the business income tax return and page 8 of the organizational and institutional return.</p> <p>E. Eliminated the explanatory note regarding inclusion of a "photocopy of official letter from the county or city government or Ministry of Economic Affairs approving registration of business shutdown or changes" on page 6 of the Liquidation Tax Return.</p> <p>(2) Simplified content to be filled in on return and reduced use of seals</p> <p>A. Amended column text and completion instructions for "average monthly liability to related parties" in the related-party liabilities schedule and "average monthly ownership equity" in the ownership equity schedule on page 8 of the business income tax return form.</p> <p>B. Revised and expanded question 1 of the Basic Information questions in Part 1 of the informational first section of the Related Party Organizational Chart on page 18 of the business tax return form, exempting profit-seeking enterprises that do not meet the criteria for disclosure from continuing to complete the questions under Section 1, Section 2, and the column items on pages 19 through 21.</p> <p>C. Reduced the number of places requiring seals on the business income tax return and related forms by approximately 23.</p>	Reduced data preparation and filing time	Preparation, Filing

Simplification Measure	Effect	World Bank Survey Item
<p>4. Increased channels for tax payments</p> <p>When profit-seeking enterprises used the Internet to file their 2012 profit-seeking enterprise income tax returns and 2013 provisional income tax returns in 2013, they could choose to use their MOEACA IC cards to verify their identities to transfer tax payments from their demand deposit bank accounts.</p>	<p>Reduced tax payment time</p>	<p>Payment</p>

MAIN POINTS OF REFORM AND AMENDMENTS TO LEGISLATION IN 2014

Main points of reform in 2014

From June 2013 through May 2014, the main points of reform regarding cross-border trade were as follows:

- Completing the establishment of the CPT Single Window (August 19, 2013)
 - A. The CPT Single Window website (<http://portal.sw.nat.gov.tw>) officially went online on August 19, 2013. Incorporating the Ministry of Finance Customs Clearance Automation System, the Ministry of Transportation and Communications Maritime Transport Network Portal, and the Ministry of Economic Affairs FT Net, and linking to and integrating 26 participating agencies; a total of over 30 agencies and institutions are connected to the system. The website serves warehouse operators, freight forwarders, carriers, import-export businesses, customs brokers, inspection and quarantine brokers, and the general public.
 - B. As part of the effort to build a convenient business environment with one-stop service, this single window website is intended to provide businesses with a cross-platform for B2G message exchange, online application, information query, tax/duty and fee payment, cargo status tracking, and other services, allowing businesses to conveniently conduct trade operations and maintain awareness of the status of cargo anytime and anywhere.
- Putting the Advance Cargo Information export system online (October 14, 2013)
 - A. The Advance Cargo Information system website (<http://acis.customs.gov.tw/en/default.asp>) incorporates the existing sea and air freight customs clearance systems and brings trade licensing and customs clearance data into line with the World Customs Organization (WCO) Data Model; it both provides businesses with faster and more convenient customs clearance services and benefits future alignment with international standards.

- b. The system was brought online incrementally, with the sea shipping exports system completed on September 2, 2013, the air freight exports system completed on September 30, 2013, and the express air freight expedited cargo declaration system completed on October 14, 2013.
- Connecting the Certificate of Origin issuance system to the CPT Single Window (August 19, 2013)
 - A. The Certificate of Origin issuance system operated by the Bureau of Foreign Trade of the Ministry of Economic Affairs began providing electronic application services in 2005. On August 19, 2014, the system was linked to the CPT Single Window, and can now provide relevant businesses with certificate of origin (COs) information, as well as immediately complete application and issuance services.
 - B. The system can also immediately obtain export customs declaration form data through the CPT Single Window, using it as the basis for issuance of COs. The incorporation of the two systems is currently operating well, and allows businesses to access application services 24 hours a day.
- Taiwan's signing of Authorized Economic Operator (AEO) Mutual Recognition Arrangements with Singapore and Israel

In order to effectively increase the security and convenience of trade between Taiwan and Singapore and Israel:

- A. Taiwan and Singapore signed the Mutual Recognition Arrangement on AEO between Taiwan and Singapore on July 24, 2013.
- B. Taiwan and Israel signed the Administrative Directive on Mutual Recognition of AEO between Taiwan and Israel on December 10, 2013.

Amendments to legislation in 2014

In order to ensure that Taiwan's customs import tariff classification system is in line with international standards, as well as to comply with the economic arrangements signed with New Zealand and Singapore in 2013, Taiwan promulgated amended customs import tariffs on November 27, 2013 and January 22, 2014. The background of the amendments is as follows:

- Amendments to customs import tariffs promulgated on November 27, 2013
 - A. In keeping with technological advances and changing forms of trade, the World Customs Organization (WCO) passed the 2012 edition of the Harmonized Commodity Description Encoding System (HS), which took effect on January 1, 2012. To ensure that Taiwan's customs import tariff classification system is in step with international standards, the country's customs import tariffs were amended according to HS 2012.
 - B. In addition, the signing of the Agreement between New Zealand and the Separate Customs Territory of Taiwan, Penghu, Kinmen, and Matsu on Economic Cooperation (ANZTEC) was completed on July 10, 2013. In order to fulfill Taiwan's commitment to tariff concessions, some customs import tariffs were amended in accordance with ANZTEC.
- Amendments to customs import tariffs promulgated January 22, 2014

The signing of the Agreement between Singapore and the Separate Customs Territory of Taiwan, Penghu, Kinmen, and Matsu on Economic Partnership (ASTEP) was completed on November 17, 2013. In order to fulfill Taiwan's commitment to tariff concessions, some customs import tariffs were amended in accordance with ASTEP.

COMPARISON OF SURVEY AND ACTUAL SITUATION

The 2013 survey

Item No.	Documents to be prepared	
	Imports	Exports
1	Bill of lading	Bill of lading
2	Commercial invoice	Commercial invoice
3	Customs import declaration	Customs export declaration
4	Packing list	Packing list
5	Terminal handling receipt	Terminal handling receipt
6	Delivery order	—

2014 corrections

A. Documents to be prepared for imports reduced to four

Item No.	Import document	Bank	Customs	Port	Container Terminal	Sanitary Quarantine
1	Bill of lading	✓				
2	Commercial invoice		✓			
3	Customs import declaration		✓			
4	Packing list		✓			
5	Terminal handling receipt	1. These two documents are not required for customs clearance. 2. On May 12, 2010, an amendment to Article 17, paragraph 1 of the Customs Act was promulgated, removing the delivery order as a document to be included with customs declarations for imports.				
6	Delivery order					

B. Documents to be prepared for exports reduced to four

Item No.	Import document	Bank	Customs	Port	Container Terminal	Sanitary Quarantine
1	Bill of lading	✓				
2	Commercial invoice		✓			
3	Customs export declaration		✓			
4	Packing list		✓			
5	Terminal handling receipt	This document is not required for customs clearance.				

DETAILS OF CORRECTIONS**Terminal handling receipt not a required document for customs clearance of imports and exports**

A terminal handling receipt is a receipt for transactions between an importer and the operator of a terminal or container freight station. Currently, container terminals, freight stations, and warehouses are primarily operated by private enterprises in Taiwan; after a ship arrives in port, containers or goods are unloaded and sent to the related freight station or warehouse for customs clearance. Receipts for the related fees to be paid are private enterprise transaction documents, and do not need to be submitted to customs or other governmental border control agencies in order for import or export goods to clear customs.

Legislation amended May 12, 2010 to remove the delivery order as a document to be included with customs declarations for imports

A delivery order (D/O) is proof of the delivery of goods. The law grants shipping companies priority in dealing with the goods they carry; anyone wishing to take possession of such goods must first pay the shipping fees in full. After the consignee submits a bill of lading and pays the shipping fees, the shipping company gives the

consignee a delivery order which is used to take possession of the goods. This document is a private enterprise transaction document.

On May 12, 2010, an amendment to Article 17, Paragraph 1 of the Customs Act was promulgated, removing the delivery order as a document to be included with customs declarations for imports, thereby simplifying the procedures for customs declarations for imports. During customs clearance of imported goods, therefore, it is unnecessary to submit this document to customs or other border control agencies.

COMPARISON OF BENEFITS SINCE INTRODUCTION OF THE CPT SINGLE WINDOW

The Business to Government (B2G) sphere

- Pre-implementation: Insufficient integration of import-export systems and processes, with businesses unable to obtain complete application and query services from a single portal.
- Post-implementation: Import-export systems and processes integrated, providing businesses with unified application and status query services for customs clearance and licensing, container tracking, and other services.
- Comparison of benefits: Businesses can complete applications for customs clearance papers in one go at a single window, and immediately obtain information about application status, the results of application reviews, and the latest status of cargo at each stage of the import-export process, improving import-export efficiency and supply chain logistics management.

The Government to Government (G2G) sphere

- Pre-implementation: Insufficient import-export system linkage and information interchange, preventing the integrated use of import-export information.
- Post-implementation: Establishment of a central database and information interchange platform provides the inter-agency verification and joint processing and real-time and batch data exchange services required for import-export management.

- Comparison of benefits: The sharing of the import-export management information reduces official correspondence, file sending and manual checking, increasing the effectiveness of the management of import-export agencies and the efficiency of service.

The Nation to Nation (N2N) sphere

- Pre-implementation: Lack of harmonization of customs clearance and licensing information and insufficient cross-border information interchange mechanisms were detrimental to the promotion of cross-border trade management.
- Post-implementation: Customs clearance and licensing information harmonized in accordance with international standards, and a cross-border information interchange platform established.
- Comparison of benefits: Customs clearance and licensing information, uniform and standardized, cross-border information interchange mechanisms complete and varied, promoting transnational trade cooperation and information interchange.

PREFACE

In the Doing Business 2014 report released by the World Bank in October 2013, Taiwan was ranked 84th worldwide on the “Enforcing Contracts” indicator, moving up six positions from the previous year. The Judicial Yuan and National Development Council have continued to review relevant procedures in Taiwan, noted the reform measures that have been planned or implemented in recent years, and provided explanations of corrections to the World Bank survey with regard to the Doing Business indicators on contract enforcement.

REFORMS OF JUDICIAL ADMINISTRATION

Completion of the establishment of the “Online Lawsuit and Lawyer Single Login Window” (September 9, 2013)

Under the provisions of Article 116 Paragraph 3 and Article 153-1 Paragraph 2 of the Code of Civil Procedure, the Judicial Yuan promulgated the Operational Regulations for the Submission of Civil Litigation Documents by Fax and Electronic Transmission, providing for the parties to a legal suit or their representatives to submit pleadings to the court by fax or electronic transmission as a time-saving measure. This mode of submission may also be used for the filing of lawsuits. This reform should help raise the efficiency of judicial administration.

On September 9, 2013, the Judicial Yuan completed the establishment of the Online Lawsuit and Lawyer Single Login Window (<http://portal.ezlawyer.com.tw/Login.do>) and began providing online services. The website integrates existing electronic transcript reading, court schedule, court session progress and case progress inquiry, and other services, in order to provide attorneys with a more user-friendly and complete online services interface and prepare for the introduction of the electronic lawsuit filing system.

The Judicial Yuan is currently actively working to set up the Online Lawsuit Filing System. Expected to be completed by June 30, 2014, the system will first go into pilot

operation for administrative suits in the Intellectual Property Court, and should enhance the efficiency of trial proceedings and judicial administration.

Providing online court proceeding and case progress in query services

In order to implement the policies of “justice for the people” and transparency of judicial proceedings, the Judicial Yuan website has provided court proceeding progress inquiry (<http://www.judicial.gov.tw/db/ctstatewww.asp>) services since January 1, 2007, allowing the parties to litigation to keep abreast of the latest progress of proceedings at any time and reducing waiting time prior to the commencement of court proceedings.

The Judicial Yuan also established the Case Progress Inquiry System (<http://cpor.judicial.gov.tw/cqry/Login.do>), covering cases being heard by ordinary courts of first and second instance and high administrative courts since July 1, 2011. The system allows parties to cases and their legal representatives, agents ad litem, defense counsel and relevant persons to inquire online about the status of all civil, criminal, and administrative cases taken by trial courts. Those so requesting are automatically informed of new progress in cases by email, and attention is drawn to these services by eye-catching layouts or graphics on the websites of the Judicial Yuan and subordinate courts. The services are also noted on court session notices and court summonses so that parties to lawsuits will be informed of these convenience measures as soon as such documents are received.

Establishment of specialized courts

Although Taiwan has not yet set up a specialized commercial court or any court division that is a “commercial court” in name, it has set up several specialized courts and court divisions to deal with various intellectual property and business related cases, such as the Intellectual Property Court and special court divisions for cases concerning international trade and maritime commerce, intellectual property rights, securities and futures transactions, and fair trade.

Courts can conduct remote examination of witnesses in civil cases

In keeping with modern technological developments, and to facilitate the presentation of witness testimony in writing, Article 305 of the Taiwan Code of Civil Procedure allows witnesses in civil proceedings to submit written statements, affidavit and notarial certificates by fax or other such technologies, with the same validity as presentation of the original documents. In addition, pursuant to Paragraph 8 of the same Article, the Judicial Yuan has drawn up the Regulations on the Remote Examination of Witnesses in Civil Cases Conducted by Courts at All Levels, to provide the basis and procedural rules for witnesses in civil proceedings to undergo remote examination by courts.

Measures to improve the timeliness of court hearings and the attitude of judicial personnel in conducting cases

To increase the proportion of cases that go to court punctually, enhance judicial efficiency, avoid long waits for parties to cases before going to court, and improve the attitude of judicial personnel in conducting cases, the Judicial Yuan issued the "Measures to Improve the Timeliness of Court Hearings and the Attitude of Judicial Personnel in Conducting Cases" on January 5, 2011; and, on October 21, 2011 issued the "Supplementary Measures to Enhance the Timeliness of Court Hearings and the Attitude of Judicial Personnel in Conducting Cases." All courts were requested to take action in accordance with these measures, and to draw up their own rules for the control and evaluation of delays in holding court sittings.

COMPARISON OF SURVEY AND ACTUAL SITUATION

The 2013 Survey

The World Bank separates the procedures for Enforcing Contracts into the three main stages of filing and service, trial and judgment, and enforcement of judgment, and reported that these stages required 45 procedures and 510 days in Taiwan.

Main stages	Days to complete (510 days in total)	Procedures (45 in total)
Filing and service	30 days	8
Trial and judgment	360 days	22
Enforcement of judgment	120 days	15
Cost (as % of claim)		17.7%
Attorney cost		15.5%
Court cost		1.1%
Enforcement cost		1.1%

* The value of the claim is assumed to be economy's per capita income, approximately NT\$1.25 million in Taiwan.

2014 Corrections

Main stages	Days to complete (176.39 days total)	Procedures (27 total)
Filing and service	48.51 days Calculations: $153.63 \text{ days} \times 6/19 = 48.51$ days	6
Trial and judgment	105.12 days Calculations: $153.63 \text{ days} \times 13/19 = 105.12$ days	13
Enforcement of judgment	22.76	8
Cost (as % of claim)		7.79%
Attorney cost		6%
Court cost		0.99%
Enforcement cost		0.8%

EXPLANATION OF CORRECTIONS

• **Completion time: corrected from 510 days to 176 days**

Since the Judicial Yuan does not know how the World Bank calculated the number of days needed for each procedure, it has taken the statistical data from the Time Taken to Conclude Civil Litigation Cases in District Courts report provided by its Office of Statistics (see appendix) as the basis for calculating the times needed for the procedures in the World Bank's survey example. In 2013, the average time taken by district courts to conclude first-instance civil suits was 153.63 days, and the average time taken to complete compulsory enforcement of judgments in such cases was 22.76 days.

The aforesaid 153.63 days includes the total number of days needed for both the "filing and service" and "trial and judgment" stages of proceedings. To separate them, the number of procedures required for each stage was divided by the total number of procedures for the two stages to determine the percentage of the total number of procedures accounted for by each stage. The total of 153.63 days was then multiplied by these percentages to calculate the number of days required by each stage.

The total time needed to complete the three stages of filing and service, trial and judgment, and enforcement of judgment is approximately 176 days.

• **Cost: corrected from 17.7% to 7.79%**

Regarding the attorney fees listed in the cost column, reference to the provisions of Article 4, Paragraph 1 of the Standards of Approved Remuneration for Court-Appointed Attorneys and Third-Instance Attorneys shows that, in civil property rights litigation, attorney fees are less than 3% of the amount or value of the claim. Accordingly, court-awarded attorney fees should be calculated as 3% of the claim for the first instance proceedings and 3% for the compulsory enforcement proceedings, hence 6% of the claim in total.

According to the provisions of Article 77-13 and Article 77-27 of the Code of Civil Procedure, and the comparison table of court fees for civil cases posted on the website of the Judicial Yuan (<http://www.judicial.gov.tw/assist/assist04.asp>), for property claims of amounts between NT\$1 million and \$NT10 million, the court fees in the court of first

instance are collected at a rate of NT\$99 for every NT\$10,000. With the claim in the World Bank example case being for NT\$1.25 million, court fees of NT\$12,375 should be imposed; the court fee for the court of first instance is 0.99% of the value of the claim.

According to Article 28-2 of the Compulsory Execution Act, and Article 77-27 of the Code of Civil Procedure, and the comparison table of court fees for civil cases posted on the website of the Judicial Yuan (<http://www.judicial.gov.tw/assist/assist04.asp>), for property rights cases involving claims of over NT\$5,000, compulsory execution fees will be assessed at NT\$8 for every NT\$1,000. For the claim of approximately NT\$1.25 million in the World Bank's example case, a court fee of NT\$10,000 should be assessed; the court fee for compulsory execution is 0.8% of the value of the claim in the suit.

The total cost of attorney, court, and enforcement accounts for approximately 7.79% of the value of the claim.

• Number of procedures: corrected from 45 to 27

World Bank case assumptions

- A. The value of the claim equals 200% of the economy's income per capita; approximately NT\$1.25 million.
- B. The dispute concerns a lawful property transaction between two domestic companies (a Buyer and a Seller) located in Taipei City.
- C. The court of jurisdiction is the court located in Taipei City with jurisdiction over the aforesaid property dispute.
- D. Seller (the plaintiff) sues Buyer (the defendant) to recover the amount under the sales agreement. Buyer opposes Seller's claim. The claim is disputed on the merits. The court cannot decide the case on the basis of documentary evidence or legal title alone.
- E. The Seller (the plaintiff) attaches Buyer's (the defendant's) movable assets (for example, office equipment, vehicles, and goods) before obtaining a judgment because Seller fears that Buyer may become insolvent.
- F. An expert opinion is given on the quality of the delivered goods:
 - (a) If it is standard practice in your country (as in most common law countries) for Seller and Buyer to call their own expert witnesses, then each party

calls one expert witness to provide an opinion on the quality of the goods delivered by Seller.

(b) If it is standard practice in your country (as in most civil law countries) for the judge to appoint an independent expert to provide an opinion on the quality of the goods delivered by Seller, then the judge does so. It is assumed that no opposing expert testimony is provided.

G. The judgment is 100% in favor of Seller: the judge decides that the goods are of adequate quality and that Buyer (the defendant) must pay the agreed price.

H. Buyer (the defendant) does not appeal the judgment. Seller (the plaintiff) decides to start enforcing the judgment as soon as the time allocated by law for appeal expires.

I. Seller (the plaintiff) takes all required steps for prompt enforcement of the judgment. The money is successfully collected through a public sale of Buyer's (the defendant's) movable assets.

Clarification of procedures

The 45 WB procedures and 27 procedures clarified by The Judicial Yuan are as follow:

No.	Filing and service	WB	Judicial Yuan	Judicial Yuan Remarks
1	Plaintiff requests payment. Plaintiff or his lawyer asks Defendant orally or in writing to make payment according to the contract.	Yes (1)	No	This request is made prior to the filing of lawsuit, and is not a legally-mandated lawsuit procedure. It is recommended that this procedure not be counted.
2	A third person formally notifies Defendant. A person other than the Plaintiff or his lawyer, such as a notary public, formally notifies Defendant of Plaintiff's request for payment.	No	No	

No.	Filing and service	WB	Judicial Yuan	Judicial Yuan Remarks
3	<p>Mandatory conciliation or mediation.</p> <p>Plaintiff invites Defendant to settle the dispute. Because conciliation or mediation fails, Plaintiff is required to submit a written document to the judge proving that conciliation or mediation prior to initiating the lawsuit has failed.</p>	No	No	
4	<p>Plaintiff's hiring of lawyer.</p> <p>Plaintiff hires a lawyer to represent him in court.</p>	Yes (2)	No	<p>Plaintiff's hiring of a lawyer is not a mandatory procedure because legal representation is not legally required for the first instance trial under Taiwanese law. Article 466-1, paragraph 1 of the Code of Civil Procedure ("CCP") states that "...an appellant shall appoint an attorney as his/her advocate in an appeal of the judgment of a court of second instance." Although the law is silent as to whether the appointment of a lawyer is mandatory for trials of first and second instance, it can be inferred from the reasons given for the amendment made to Article 69 of the CCP on February 7, 2003 (which state that "legal representation is not mandatory for court proceedings in Taiwan; a litigant may appoint a person other than a lawyer to represent him/her if approved by the presiding judge") and Article 466-1, paragraph of the CCP that legal representation is not mandatory in the first and second instance trial; a person may pursue or defend a case in court on his/her own or through a person who is not a lawyer with the permission of the presiding judge. It is recommended that this procedure not be counted.</p>

No.	Filing and service	WB	Judicial Yuan	Judicial Yuan Remarks
5	Plaintiff's filing of summons and complaint. Plaintiff files his summons or complaint with the court, orally or in writing.	Yes (*)	Yes (1)	
6	Plaintiff's payment of court fees. Plaintiff pays court duties, stamp duties, or any other type of court fee. Checked as 'yes' even if reimbursed later.	Yes (*)	Yes (*)	
7	Registration of court case. The court administration registers the lawsuit or court case. This includes assigning a reference number to the lawsuit or court case.	Yes (3)	Yes (2)	
8	Assignment of court case to a judge. The court case is assigned to a specific judge through a random procedure, automated system, ruling of an administrative judge, court officer, etc.	Yes (*)	No	This is an internal procedure that follows the filing of a court case, and does not belong to the procedures prescribed by law for the filing of a lawsuit. It is recommended that this procedure not be counted.
9	Court scrutiny of summons and complaint. Judge examines Plaintiff's summons and complaint for formal requirements. Checked as 'yes' if required by law or standard practice.	Yes (4)	Yes (3)	
10	Judge admits summons and complaint. After verifying the formal requirements, the judge decides to admit Plaintiff's summons and complaint.	No	No	

No.	Filing and service	WB	Judicial Yuan	Judicial Yuan Remarks
11	Plaintiff's request for service. Plaintiff makes a written request to the court that process be served on Defendant.	No	No	
12	Court order for service. Upon Plaintiff's request, the judge orders process be served on Defendant.	No	No	
13	Delivery of summons and complaint to person authorized to perform service of process on Defendant. The judge or a court officer delivers the summons to a summoning office, officer, or authorized person (including Plaintiff), for service of process on Defendant.	Yes (5)	Yes (4)	
14	Arrangements for physical delivery of summons and complaint. Plaintiff takes whatever steps are necessary to arrange for physical service of process on Defendant, such as instructing a court officer or a (private) bailiff.	No	No	
15	Mailing of summons and complaint. Court or process server, including (private) bailiff, mails summons and complaint to Defendant.	Yes (*)	Yes (*)	
16	First attempt at physical delivery. A first attempt to physically deliver summons and complaint to Defendant is successful in the majority of cases.	No	No	

No.	Filing and service	WB	Judicial Yuan	Judicial Yuan Remarks
17	Second attempt at physical delivery. If a first attempt was not successful, a second attempt to physically deliver the summons and complaint to Defendant is required by law or standard practice.	No	No	
18	Application for substituted service. Because physical delivery is not successful in the majority of cases, Plaintiff applies for substituted service. Substituted service can include, but is not limited to, service by publication in newspapers or affixing of a notice in court or on public bulletin boards. Only checked as 'yes' if physical delivery is usually unsuccessful and substituted service is then mandatory.	No	No	
19	Court order regarding substituted service. Judge in a court order defines acceptable means for substituted service.	No	No	
20	Substituted service. Substituted service is accomplished by publication in newspapers, by affixing a notice in court or on public bulletin boards, etc.	No	No	
21	Proof of service. Plaintiff submits proof of service to court. Checked as 'yes' if required by law or standard practice.	No	No	

No.	Filing and service	WB	Judicial Yuan	Judicial Yuan Remarks
22	Application for pre-judgment attachment. Plaintiff submits an application in writing for the attachment of Defendant's property prior to judgment. (see assumption (e))	Yes (*)	Yes (*)	
23	Decision on pre-judgment attachment. The judge decides whether to grant Plaintiff's request for pre-judgment attachment of Defendant's property and notifies Plaintiff and Defendant of the decision. This step may include requesting that Plaintiff submit guarantees or bonds to secure Defendant. (See assumption (e))	Yes (*)	Yes (*)	
24	Guarantees securing attached property. Plaintiff typically submits guarantees or bonds to secure Defendant against possible damage to attached property. (see assumption E)	Yes (6)	Yes (5)	
25	Pre-judgment attachment. Defendant's property is attached prior to judgment. Attachment is either physical or achieved by registering, marking, debiting or separating assets. (see assumption (e))	Yes (7)	Yes (6)	

No.	Filing and service	WB	Judicial Yuan	Judicial Yuan Remarks
26	<p>Custody of assets attached prior to judgment.</p> <p>Defendant's attached assets are put under enforcement officer's or (private) bailiff's care. (see assumption (e))</p>	Yes (8)	No	<p>Custody of attached assets is a de facto status, not an independent procedure. In addition, we observe that in the World Bank's 2014 survey report on Enforcing Contracts indicators, this procedure was not listed for Japan, Germany, and South Korea, which have similar legal systems to Taiwan's, or neighboring countries such as Malaysia. The listing of this procedure as step 8 in the Enforcing Contracts indicators for Taiwan in the World Bank's 2014 survey report is likely due to a misunderstanding. It is recommended that this procedure not be counted, in keeping with the facts.</p>
27	<p>Report on pre-judgment attachment.</p> <p>Judge decides whether to grant Plaintiff's request for pre-judgment attachment of Defendant's property and notifies Plaintiff and Defendant of the decision. This step may include requesting that Plaintiff submit guarantees or bonds to secure Defendant against damages. (see assumption (e))</p>	No	No	
28	<p>Hearing on pre-judgment attachment.</p> <p>A hearing takes place to resolve the question of whether Defendant's assets can be attached prior to judgment. This process may include the submission of separate summons and petitions (see assumption (e)).</p>	No	No	

No.	Trial and judgment	WB	Judicial Yuan	Judicial Yuan Remarks
29	Defendant's deposit of a bond or payment guarantee with the court. Defendant deposits a bond or guarantee with the court. Checked as 'yes' if required by law or standard practice.	No	No	
30	Defendant's filing of preliminary exemptions. Defendant presents preliminary exemptions to the court. (Preliminary exemptions differ from answers on the merits. Examples of preliminary exemptions are statute of limitations, jurisdictions, etc.) Checked as 'yes' when preliminary exemptions are commonly raised by Defendant as a delaying tactic, regardless of justification.	No	No	
31	Plaintiff's answer to preliminary exemptions. Plaintiff responds to the preliminary exemptions raised by Defendant. Checked as 'yes' if preliminary exemptions are commonly raised (step 30) and if plaintiff responds to them immediately.	No	No	
32	Judge's resolution on preliminary exemptions. Judge decides on preliminary exemptions separately from the merits of the case. Checked as 'yes' if preliminary exemptions are commonly raised (step 30) and if judge resolves the question before rendering his decision.	No	No	

No.	Trial and judgment	WB	Judicial Yuan	Judicial Yuan Remarks
33	Defendant's filing of defense or answer to Plaintiff's claim. Defendant files a written pleading which includes his defense or answer on the merits of the case. Defendant's written answer may or may not include witness statements, expert statements, the documents Defendant relies on as evidence and the legal authorities Defendant relies on (see assumption (d)).	Yes (9)	Yes (7)	
34	Deadline for Plaintiff to answer Defendant's defense or answer. Judge sets the deadline by which Plaintiff will be allowed to answer Defendant's defense or answer.	Yes (10)	No	There is no such procedure required under current Taiwan law. It is recommended that this procedure not be counted.
35	Plaintiff's written response to Defendant's defense or answer. Plaintiff responds to Defendant's defense or answer with a written pleading. Plaintiff's answer may or may not include witness statements or expert (witness) statements.	Yes (11)	Yes (8)	
36	Filing of pleadings. Plaintiff and Defendant file written pleadings and submissions with the court and transmit copies of the written pleadings or submissions to one another. The pleadings may or may not include witness statements or expert (witness) statements.	Yes (12)	No	This item falls within the scope of questionnaire items number 33, "Defendant's filing of defense or answer to Plaintiff's claim," and 35, Plaintiff's written response to Defendant's defense or answer. As listing it is redundant, it is recommended that it not be counted.

No.	Trial and judgment	WB	Judicial Yuan	Judicial Yuan Remarks
37	Adjournments. Court procedure is delayed because one or both parties request and obtain an adjournment to submit written pleadings.	Yes (13)	No	This is not a mandatory procedure. It is necessary only if so determined by the judge. Moreover, in current practice in Taiwan, adjournment is rarely allowed. Thus, it is recommended that this procedure not be counted.
38	Court's mailing of allocation questionnaire to parties. The court mails a questionnaire to the parties asking each to allocate the case among different case tracks (for example, multitrack, fast track) and asking each to frame the issues for trial.	No	No	
39	Parties' answer to court's allocation questionnaire. Parties submit their completed allocation questionnaires to the court (including their answers regarding case tracks and the issues for trial).	No	No	
40	Framing of issues. Plaintiff and Defendant assist the court in framing issues on which evidence is to be presented.	Yes (14)	Yes (9)	
41	Court appointment of independent expert. Judge appoints, either at the parties' request or at his own initiative, an independent expert to decide whether the quality of the goods Plaintiff delivered to Defendant is adequate. (see assumption (f),)	Yes (*)	Yes (*)	

No.	Trial and judgment	WB	Judicial Yuan	Judicial Yuan Remarks
42	Notification of court-appointment of independent expert. The court notifies both parties that the court is appointing an independent expert. (see assumption (f),)	Yes (15)	No	Although Paragraph 2, Article 326 of the CCP provides that the court may seek the opinion of the parties before appointing an expert, it is not a mandatory procedure. In general, the court would inform both parties of the appointment of an independent expert during a hearing rather than through a separate notice. It is recommended that this procedure not be counted.
43	Delivery of expert report by court-appointed expert. The independent expert appointed by the court delivers his or her expert report to the court. (see assumption (f),)	Yes (*)	Yes (10)	
44	Pre-trial conference on procedure. The judge meets with the parties to discuss procedural issues (for example which applications and motions parties intend to file, which documents parties intend to rely on, what will be presented as evidence the oral hearing or trial, etc.)	Yes (16)	No	In current trial practice in Taiwan, this procedure should be covered by the procedure in questionnaire item 40, Framing of issues. It is recommended that it not be counted again as a separate procedure.
45	Setting of date for mediation hearing. The judge sets a date for a mediation hearing, sometimes also called a 'pretrial conference,' and notifies the parties of the hearing date.	No	No	

No.	Trial and judgment	WB	Judicial Yuan	Judicial Yuan Remarks
46	Mediation hearing. The judge during this informal meeting with the parties encourages them to settle the case. The judge acts as mediator. If the case cannot be settled, the judge may draft a pre-trial conference report, after which the case may be allocated to another judge for trial.	No	No	
47	Request for interlocutory order. Defendant raises preliminary issues, such as jurisdiction, statute of limitation, etc. Checked as 'yes' if commonly raised, regardless of justification.	No	No	
48	Court's issuance of interlocutory order. Court decides the preliminary issues the Defendant raised by issuing an interlocutory order. Checked as 'yes' if commonly the case in commercial cases.	No	No	
49	Plaintiff's appeal of court's interlocutory order. Plaintiff appeals the court's interlocutory order, which suspends the court proceedings. Checked as 'yes' if the appeal is common in this case.	No	No	

No.	Trial and judgment	WB	Judicial Yuan	Judicial Yuan Remarks
50	Discovery requests. Plaintiff and Defendant make requests for the disclosure of documents, attempting to force the other party to reveal potentially detrimental documents. Checked as 'yes' if discovery requests usually entail disputes.	No	No	
51	Discovery disputes. Following a request for discovery of documentary evidence, the other party disputes the request and calls upon the judge to decide the issue. Checked as 'yes' if discovery disputes are provided by law and commonly happen.	No	No	
52	Request for oral hearing or trial. Plaintiff applies for the date(s) for the oral hearing or trial.	No	No	
53	Setting of date(s) for oral hearing or trial. Judge sets the date(s) for the oral hearing or trial.	Yes (*)	Yes (*)	
54	Preliminary hearing aimed at preparing for the oral hearing. The judge meets the parties to make practical arrangements for the oral hearing on the merits of the case.	Yes (17)	Yes (11)	

No.	Trial and judgment	WB	Judicial Yuan	Judicial Yuan Remarks
55	<p>Pre-trial conference aimed at preparing for trial.</p> <p>The judge meets with parties to make practical arrangements for the trial (for example, the number of witnesses parties intend to call on during trial, how much time each party is given to present oral arguments etc.).</p>	Yes (18)	No	<p>In current trial practice in Taiwan, this procedure should be covered by the procedure in questionnaire item 54, Preliminary hearing aimed at preparing for the oral hearing. In addition, we observe that in the World Bank's 2014 survey report on Enforcing Contracts indicators, this procedure was not listed for countries such as Japan, Germany and others, which have similar legal systems to Taiwan's. The listing of this procedure as step 18 in the Enforcing Contracts indicators for Taiwan in the World Bank's 2014 survey report is likely due to a misunderstanding. It is recommended that this procedure not be counted, in keeping with the facts.</p>
56	<p>List of (expert) witnesses.</p> <p>The parties file a list of (expert) witnesses with the court. (see assumption (f))</p>	No	No	
57	<p>Summoning of (expert) witnesses.</p> <p>The court summons (expert) witnesses to appear in court for the oral hearing or trial. (see assumption (f))</p>	Yes (19)	No	<p>This procedure is covered in questionnaire items 41 "Court appointment of independent expert" through 43, Delivery of expert report by court-appointed expert. As listing it is redundant, it is recommended that it not be counted.</p>
58	<p>Adjournments.</p> <p>Court proceedings are delayed because one or both parties request and obtain an adjournment to prepare for the oral hearing or trial.</p>	No	No	

No.	Trial and judgment	WB	Judicial Yuan	Judicial Yuan Remarks
59	Oral hearing (prevalent in civil law). The parties argue the merits of the case at an oral hearing before the judge. Witnesses and a court-appointed independent expert may be heard and questioned at the oral hearing.	No	No	
60	Trial (prevalent in common law). The parties argue the merits of the case at (an) oral session(s) before the court. Witnesses and expert witnesses are questioned and cross-examined during trial.	Yes (20)	Yes (12)	
61	Adjournments. Court proceedings are delayed because one or both parties request and obtain an adjournment during the oral hearing or trial, resulting in an additional or later trial or hearing date.	Yes (21)	No	This is not a mandatory procedure. It is necessary only if the court finds it necessary to adjourn the proceedings. Moreover, in current practice in Taiwan, adjournment is rarely allowed. Thus, it is recommended that this procedure not be counted.
62	Request for closing of the evidence period. Plaintiff or Defendant requests the judge to close the evidence period.	No	No	
63	Closing of the evidence period The court makes the formal decision to close the evidence period.	No	No	
64	Advice by public prosecutor or third party. The office of the public prosecutor or any other third party advises the court on how to decide the case.	No	No	

No.	Trial and judgment	WB	Judicial Yuan	Judicial Yuan Remarks
65	Order for submission of final arguments. The judge sets the deadline for the submission of final factual and legal arguments.	Yes (22)	Yes (13)	
66	Final arguments. The parties present their final factual and legal arguments to the court either by oral presentation or by a written submission.	Yes (*)	Yes (*)	
67	Judgment date. The judge sets a date for delivery of the judgment.	Yes (23)	Yes (14)	
68	Notification of judgment in court. The parties are notified of the judgment at a court hearing.	Yes (24)	Yes (15)	
69	Writing of judgment. The judge produces a written copy of the judgment.	Yes (25)	Yes (16)	
70	Registration of judgment. The court office registers the judgment after receiving a written copy of the judgment.	Yes (26)	No	Taiwan law does not have the procedure of registration of judgment. In addition, we observe that in the World Bank's 2014 survey report on Enforcing Contracts indicators, this procedure was not listed for Japan, which has a similar legal system to Taiwan's. The listing of this procedure as step 26 in the Enforcing Contracts indicators for Taiwan in the World Bank's 2014 survey report is likely due to a misunderstanding. It is recommended that this procedure not be counted, in keeping with the facts.

No.	Trial and judgment	WB	Judicial Yuan	Judicial Yuan Remarks
71	Court notification of availability of the written judgment. The court notifies the parties that the written judgment is available at the courthouse.	No	No	
72	Plaintiff's receipt of a copy of written judgment. Plaintiff receives a copy of the written judgment.	Yes (27)	Yes (17)	
73	Notification of Defendant of judgment. Plaintiff or court formally notifies the Defendant of the judgment. The appeal period starts the day the Defendant is formally notified of the judgment.	Yes (28)	Yes (18)	
74	Appeal period. By law, Defendant has the opportunity to appeal the judgment during a period specified in the law. Defendant decides not to appeal. Judgment becomes final the day the appeal period ends.	Yes (29)	Yes (19)	
75	Reimbursement by Defendant of Plaintiff's court fees. The judgment obliges Defendant to reimburse Plaintiff for the court fees Plaintiff has advanced, because Defendant has lost the case.	Yes (30)	No	Taiwan's current civil litigation system requires the losing party to pay the court fees. The plaintiff must advance the court fees when filing the civil complaint. After the conclusion of the lawsuit, the judge will decide how the court fees should be shared. In principle, they will be borne by the losing party. This is not an independent procedure as it has been included in questionnaire item 69 "Writing of judgment." As listing it is redundant, it is recommended that it not be counted.

No.	Enforcement of judgment	WB	Judicial Yuan	Judicial Yuan Remarks
76	<p>Plaintiff's hiring of lawyer.</p> <p>Plaintiff hires a lawyer to enforce the judgment or continues to be represented by a lawyer during the enforcement of judgment phase.</p>	Yes (*)	No	<p>Plaintiff's hiring of a lawyer is not a mandatory procedure because the current Compulsory Execution Act is silent on whether legal representation is required in enforcement proceedings. However, Article 30-1 of the Compulsory Execution Act states, "Aside from the provisions stipulated in this Act, the provisions of the CCP may apply mutatis mutandis to enforcement proceedings." The CCP is silent on whether a litigant should be represented by a lawyer; however, Article 466-1, paragraph 1 of the CCP reads: "an appellant shall appoint an attorney as his/her advocate in an appeal of the judgment of a court of second instance." it can be inferred from the reasons given for the amendment made to Article 69 of the CCP on February 7, 2003 (which state that "legal representation is not mandatory for court proceedings in Taiwan; a litigant may appoint a person other than a lawyer to represent him/her if approved by the presiding judge") and Paragraph 1, Article 466-1 of the CCP which states that legal representation is not mandatory in the first and second instance trials or in the enforcement proceedings. It is recommended that this procedure not be counted.</p>

No.	Enforcement of judgment	WB	Judicial Yuan	Judicial Yuan Remarks
77	<p>Plaintiff approaching of court enforcement officer or (private) bailiff to enforce the judgment.</p> <p>To enforce the judgment, Plaintiff approaches a court enforcement officer such as a court bailiff or sheriff, or a private bailiff.</p>	Yes (31)	Yes (20)	
78	<p>Publication of judgment.</p> <p>The judgment must be published in an official journal, gazette or local newspaper.</p>	Yes (32)	No	Taiwan's enforcement proceedings do not have the procedure of publication of judgment. In addition, we observe that in the World Bank's 2014 survey report on Enforcing Contracts indicators, this procedure was not listed for Japan, Germany, South Korea, and Mainland China, which have similar legal systems to Taiwan's, or for neighboring Malaysia. The listing of this procedure as step 32 in the Enforcing Contracts indicators for Taiwan in the World Bank's 2014 survey report is likely due to a misunderstanding. It is recommended that this procedure not be counted, in keeping with the facts.
79	<p>Plaintiff's request for enforcement order.</p> <p>Plaintiff applies to the court to obtain the enforcement order ('seal' on judgment).</p>	Yes (*)	No	The Plaintiff's request for enforcement is part of the procedure covered by questionnaire item 77, "Plaintiff's approaching of court enforcement office or (private) bailiff to enforce the judgment," not an independent procedure. It is recommended that this procedure not be counted.
80	<p>Plaintiff's advancement of enforcement fees.</p> <p>Plaintiff pays the fees related to the enforcement of the judgment.</p>	Yes (33)	Yes (21)	

No.	Enforcement of judgment	WB	Judicial Yuan	Judicial Yuan Remarks
81	Attachment of enforcement order to judgment. Judge attaches the enforcement order ('seal') to the judgment.	No	No	
82	Delivery of enforcement order. The court's enforcement order is delivered to a court enforcement officer or a (private) bailiff.	Yes (*)	No	The Compulsory Execution Act requires the "delivery of an enforcement order" only for enforcement against certain movable assets, such as the auctioning of securities. Since the property to be enforced through auction is a movable asset in the WB case study, this procedure is not required in the enforcement proceedings. It is recommended that this procedure not be counted.
83	Plaintiff's request for physical enforcement. As Plaintiff fears that Defendant might physically resist the attachment of its movable goods, Plaintiff addresses a request to the judge or to the police authorities to obtain police assistance during the attachment of Defendant's movable goods.	No	No	
84	Judge's order for physical enforcement. Judge orders the police to assist with the physical enforcement of the attachment of Defendant's movable goods.	No	No	

No.	Enforcement of judgment	WB	Judicial Yuan	Judicial Yuan Remarks
85	<p>Request to Defendant to comply voluntarily with judgment.</p> <p>Plaintiff, a court enforcement officer or a (private) bailiff requests Defendant to voluntarily comply with the judgment, giving Defendant a last chance to comply voluntarily with the judgment.</p>	Yes (34)	No	The WB case study concerns the enforcement of a monetary claim. This procedure is not required by the Compulsory Execution Act for enforcing a monetary claim. It is recommended that this procedure not be counted.
86	<p>Identification of Defendant's assets for attachment by court official or Defendant.</p> <p>Judge, a court enforcement officer, a (private) bailiff or the Defendant himself identifies Defendant's movable assets for attachment.</p>	Yes (35)	No	Taiwan's enforcement law adopts an adversarial system, where the enforcement court will order a debtor to report his/her property to the court only when it is found that the property of the debtor is insufficient to satisfy the claim of the creditor or when the property of the debtor that is subject to enforcement cannot be located. Moreover, according to the WB case study, the plaintiff attaches the defendant's movable assets in the procedure covered by questionnaire item 25 "Pre-judgment attachment" prior to obtaining a judgment. It is recommended that this procedure not be counted.
87	<p>Contestation of selection of assets identified for attachment.</p> <p>The party, Plaintiff or Defendant, which was not involved in the designation of the assets for attachment, contests the selection of assets for attachment.</p>	No	No	

No.	Enforcement of judgment	WB	Judicial Yuan	Judicial Yuan Remarks
88	Plaintiff's identification of Defendant's assets for attachment. Plaintiff identifies Defendant's assets for attachment.	Yes (36)	Yes (22)	
89	Notification of intent to attach. A court enforcement officer or (private) bailiff notifies other creditors of the intent to attach Defendant's goods.	No	No	
90	Attachment. Defendant's movable goods are attached (physically or by registering, marking or separating assets).	Yes (37)	No	According to the WB case study, the Plaintiff attaches the Defendant's movable assets prior to obtaining a judgment. Since the plaintiff has already attached defendant's property in the procedure covered by questionnaire 25 "Pre-judgment procedure", the court is not required to attach the movable assets again but only has to review the court files before conducting the auction. It is recommended that this procedure not be counted.
91	Report on execution of attachment. A court enforcement officer or private process server delivers a report on the attachment of Defendant's movable goods to the judge.	Yes (38)	No	Current Taiwan law does not include this report procedure. In addition, we observe that in the World Bank's 2014 survey report on Enforcing Contracts indicators, this procedure was not listed for Japan, Germany, and other countries which have similar legal systems to Taiwan's. The listing of this procedure as step 38 in the Enforcing Contracts indicators for Taiwan in the World Bank's 2014 survey report is likely due to a misunderstanding. It is recommended that this procedure not be counted, in keeping with the facts.

No.	Enforcement of judgment	WB	Judicial Yuan	Judicial Yuan Remarks
92	Valuation or appraisal of attached movable goods. The court or court appointed valuation expert evaluates the attached goods.	Yes (39)	Yes (23)	
93	Enforcement disputes before court. The enforcement of the judgment is delayed because Defendant opposes aspects of the enforcement process before the judge.	Yes (40)	No	This is not a mandatory procedure. The procedure is necessary only if the debtor disputes enforcement proceeding on legal grounds or files a lawsuit to dispute the plaintiff's claim. It is recommended that this procedure not be counted.
94	Call for public auction. The judge calls a public auction by, for example, advertising or publication in the newspapers.	Yes (41)	Yes (24)	
95	Sale through public auction. The Defendant's movable property is sold at public auction.	Yes (42)	Yes (25)	
96	Direct sale. Defendant's property is sold but not through a public auction. Checked as 'yes' if the direct sale is common as an alternative to a public auction. (assumption (i) is disregarded here).	No	No	
97	Judge's decision on bids. The judge determines the adequacy of the bids presented at public auction.	No	No	
98	Distribution of proceeds. The proceeds of the public auction are distributed to various creditors (including Plaintiff), according to the rules of priority.	Yes (43)	Yes (26)	

No.	Enforcement of judgment	WB	Judicial Yuan	Judicial Yuan Remarks
99	Reimbursement of Plaintiff's enforcement fees. Defendant reimburses Plaintiff's enforcement fees which Plaintiff had advanced previously.	Yes (44)	No	According to Article 28 of the Compulsory Execution Act, enforcement fees are advanced by the Plaintiff and then reimbursed by the debtor (Defendant). In other words, these fees are included in the enforcement of the claim and are borne by the debtor through the distribution proceedings. Thus, this procedure has been covered by questionnaire item 98 "Distribution of proceeds." It is recommended that this procedure not be counted.
100	Payment. Court orders that the proceeds of the public auction or the direct sale be delivered to Plaintiff.	Yes (45)	Yes (27)	

*Denotes procedures that take place simultaneously with or are included in other procedures.

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