



2022

*Promoting Economic
Liberalization in Taiwan*



August, 2022

Preface

Current global issues including the US-China trade dispute, climate change, COVID-19, the Russo-Ukraine military conflict and responding to AI, 5G, blockchain and other innovative technology' s activation of the digital new economy have significantly changed lifestyles and patterns of production. In face of continuing changes in the international situation and new challenges in the shape of digital transformation and the post-pandemic period, the government of Taiwan is actively promoting economic innovative upgrading while paying attention to advancing environmentally sustainable development and social justice with the aim of creating a good investment environment for businesses and promoting the overall economic development of Taiwan.

With cooperation between the Legislative Yuan, Judicial Yuan and related agencies of the Executive Yuan, regulatory reform from July 2021 to June 2022 achieved substantial progress and results in terms of promoting Taiwan' s economic liberalization. For example, the Copyright Collective Management Organization Act was

amended to make the copyright collective management group system complete; the Constitutional Court Procedure Act was implemented, replacing Grand Justices Council interpretation with constitutional court ruling; Judicial Yuan Shi Zi Interpretation No. 807 announced that “provision restricting female laborers from working at night” was unconstitutional, protecting the fair employment opportunities of women workers; the Act for the Recruitment and Employment of Foreign Professionals was amended, to enhance recruitment of foreign talent; import of food from five prefectures in Japan including Fukushima was opened up, returning to scientific inspection and international standards; The Act Governing Electronic Payment Institutions was implemented to integrate management of electronic stored value cards and electronic payment.

Taiwan ranked 6th in the 2022 Index of Economic Freedom issued in February 2022, with a score of 80.1, joining the ranks of countries with “Free” economies for the first time and once again achieving a record highest score. Continuing the work project launched in 2016 and sorting the reform results of related agencies

in Taiwan in the past year, we have completed Promoting Economic Liberalization in Taiwan. This report is being presented to the US Heritage Foundation through the Taipei Economic and Cultural Representative Office in the United States to help you gain a full understanding of the progress and results of various reforms.

Kung, Ming-Hsin

Kung Ming-hsin

Minister

National Development Council

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◆ Foreword

In the 2022 Index of Economic Freedom released by the US Heritage Foundation and The Wall Street Journal on February 14, 2022. Taiwan ranked 6th of 184 economies. This was same ranking as last year and behind only Singapore (1), Switzerland (2), Ireland (3), Luxembourg (4), and New Zealand (5); In the Asia-Pacific region, Taiwan ranked 3rd, ahead of neighboring South Korea (19), Japan (35), Malaysia (42), Thailand (70), and China (158).

Taiwan' s score of 80.1 points was 1.5 points up on the 78.6 points received last year, for the first time placing it in the ranks of countries with "free" economies alongside Singapore (84.4,) Switzerland (84.2,) Ireland (82,) Luxembourg (80.6,) New Zealand (80.6,)and Estonia (80,) again recording the highest ever score. The many years of effort of the government towards economic liberalization have received the affirmation of an important international competitiveness rating institution.

Table 1 Taiwan Index of Economic Freedom recent-year ranking and score

Year	2022	202	202	201	201	201	201	201	201	201	201	201	201	2009
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		1	0	9	8	7	6	5	4	3	2	1	0	
Ranking	6	6	11	10	13	11	14	14	17	20	18	25	27	35
Average score	80.1	78.6	77.1	77.3	76.6	76.5	74.7	75.1	73.9	72.7	71.9	70.8	70.4	69.5
Property Rights	81.3	87.3	86.9	85.4	84.3	86.5	70	70	70	70	70	70	70	70
Judicial Effectiveness	94.2	72.9	70.1	70.1	69.2	67.7	-	-	-	-	-	-	-	-
Government Integrity	73.8	74.5	68.9	69.2	70.9	70.5	61	61	59.7	61	58	56	57	57
Tax Burden	79.2	79.2	75	75	76.1	75.3	76.1	80.4	80.3	80.5	80.4	78.3	75.9	76.2
Government Spending	90.7	91	90.5	90.6	90.4	89.5	88.7	87.1	84.7	84.9	92.3	89.7	90.5	89.4
Fiscal Health	86.6	93.7	91	91.6	90.8	83.7	-	-	-	-	-	-	-	-
Business Freedom	84.3	93.4	93.9	93.2	93.2	93.4	93.2	92.4	93.9	94.3	88.5	84.7	83	69.5
Labor Freedom	68.7	60.4	60.3	60.9	54.9	55	53.8	55.2	53.1	53.3	46.6	46.1	47.7	45.7
Monetary Freedom	86.1	84.3	82.7	84.4	83.3	85.2	83.2	83.3	81.7	82.9	83.1	82	79.3	82.1
Trade Freedom	86	86	86	87	86.2	86.2	86.4	86.4	85.8	85	85	86.2	85.8	85.2
Investment Freedom	70	60	60	60	60	65	75	75	70	65	65	65	65	70
Financial Freedom	60	60	60	60	60	60	60	60	60	50	50	50	50	50

Data source: Index of Economic Freedom issued by the Heritage Foundation over the years, collected and organized by the NDC.

◆ Reforms in Brief

I. Property Rights

Amendments to the Copyright Collective Management Organization Act seek to enhance the copyright collective management organization system; amendments to the Copyright Act in response to copyright fair use following the development of digital technology; with the trial launch of a Positive Patent Examination Pilot Program for Startup Companies as a way of encouraging startups to apply for patents; the trial launch of The Pilot Program for Interview of Industrial Cooperative Patent Examination seeks to enhance the quality and efficacy of patent reviews; implementing new measures that facilitate Remote Patent Application Interviews in response to the COVID-19 pandemic.

Amendment to the Regulations Governing the Acquisition and Disposal of Assets by Public Companies requires that the trading of major related parties at public companies is approved by a shareholders' meeting and amends the Business Mergers And Acquisitions Act to emphasize the disclosure of merger and

acquisitions information to protect the rights of minority shareholders; implementation of a new Real Estate Transaction Actual Selling Price Registration system to boost the healthy development of the real estate market; amendments to the Regulations of the Land Registration to facilitate online applications for land registration.

II. Judicial Effectiveness

The Constitutional Court Procedure Act was implemented, replacing Grand Justices Council interpretation with Constitutional Court judgement; the Commercial Case Adjudication Act was implemented, stipulating that a Commercial Court shall adjudicate major commercial disputes.

III. Government Integrity

The Act on Property-Declaration by Public Servants was amended to promote clean government reform; the Regulations Governing the Establishment and Administration of Foreign Currency Exchange Counters and Regulations Governing Internal Audit and Internal Control System of Anti-Money Laundering and Countering

Terrorism Financing of Banking Business and Other Financial Institutions Designated by the Financial Supervisory Commission were amended to prevent money laundering and counter terrorism financing; anti-corruption measures such as anti-corruption evaluation for government agencies continue to be handled.

IV. Business Freedom

Grand Justices of Judicial Yuan Shi Zi Interpretation No. 807 declared that the “provision restricting female laborers from working at night” as unconstitutional to maintain equal employment opportunities for female workers. The Act of Gender Equality in Employment has been amended to facilitate women’s participation in economic activities. The Employment Insurance Act has been amended to relax the rule so that husband and wife can apply for the parental leave allowance at the same time.

The Company Act has been amended to allow shareholders’ meetings via video conferences in response to the COVID-19 pandemic. The Commodity Labeling Act has been amended to meet the needs of technological development and consumer protection.

The Business Mergers and Acquisitions Act has been amended to increase the flexibility of business mergers and acquisitions. The Guidelines for the Installation of Renewable Energy Generation Equipment have been amended to reasonably guarantee the costs for photovoltaic equipment installation. The Guidelines for Setting up Joint Common Stations and Capacity Allocation for the Photovoltaic Electricity Generation Industry have been amended to accelerate the integration of photovoltaic electricity into the grid.

V. Labor Freedom

The Act for the Recruitment and Employment of Foreign Professionals has been amended to enhance the recruitment and employment of foreign professionals. The Regulations Governing Permits for People from Hong Kong and Macau Setting up Residence or Permanent Residence in R.O.C. have been amended to enhance the recruitment and employment of professionals from Hong Kong and Macau. The Reviewing Standards and Employment Qualifications for Foreigners Engaging in the Jobs Specified in Subparagraph 8 to 11, Paragraph 1 to Article 46 of the Employment

Service Act have been amended to allow employers to hire foreigners for engaging in intermediate technical work.

The basic wage has been raised to improve the living standards of disadvantaged workers. The Regulations for the Implementation of the Employment Promotion Allowances have been amended to help the unemployed return to the job market in a timely manner. The Guidelines for Subsidizing Business Units for Improving the Working Environment have been amended to protect worker health and improve the workforce.

VI. Monetary Freedom

The Regulations Governing the Declaration of Foreign Exchange Receipts and Disbursements or Transactions have been amended to support the operations of electronic payment institutions. The Directions for Banking Enterprises Assisting Customers to Declare Foreign Exchange Receipts and Disbursements or Transaction have been amended to relax foreign exchange settlement cases that do not require the approval of the Central Bank. The Directions Governing Banking Enterprises for Operating Foreign Exchange

Business have been amended to facilitate the banks for providing the customers with a variety of services. The Directions Governing Designated Banks Operating Foreign Exchange Businesses through Electronic or Communications Equipment have been amended to assist banks in developing digital channels.

VII. Trade Freedom

Taiwan applied to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) to facilitate Taiwan' s positioning in global economy and trade. Taiwan lifted the restrictions on food import from five prefectures including Fukushima by applying scientific testing and international standards. The referendum against the import of pork containing ractopamine did not pass. The Import and Export Manufacturer Registration was amended to facilitate online application for importers and exporters. Regulations for the Regulations Governing the Implementation of Post-release Duty Payment Procedures for Imported Goods were amended to promote electronic operations for credit institutions.

VIII. Investment Freedom

Introduction and enforcement of the Regulations Governing Small Amount Remittance Services for Foreign Migrant Workers for facilitating cross-border capital movement of foreign migrant workers and amendments of the Review Directions of Entrepreneur Visa Qualification for Foreign Nationals to encourage foreigners to come to Taiwan for promotion of agricultural technological innovation.

IX. Financial Freedom

Amendments of the Act Governing Electronic Payment Institutions for regulatory consistency of electronic tickets and electronic payments; permission granted to 3 internet-only banks for their establishment in order to encourage innovative Fintech development; enactment of the Agricultural Insurance Act for promotion of inclusive finance; allowing Fintech lenders to apply for credit scores of individuals to facilitate sharing of credit information.

◆ Promotion Explanation

Unless specially declared, the date of implementation or judgement of the regulations, administrative regulation, Grand Justices interpretation or concrete measures below is July 1, 2021 to June 30, 2022.

I. Property Rights

A. Intellectual Property Right Protection Reforms

1. In May 2022, the Copyright Collective Management Organization Act was amended to improve the copyright collective management organization system

- (1) On May 18, 2022, the Copyright Collective Management Organization Act was amended to enhance transparency, promote good management and protect the rights of members. This seeks to enhance the operational system pertaining to copyright collective management organization, facilitates using the mutual trust between individuals and collective management organizations to enable more convenient authorization and

boosts the circulation of copyrights. The main amendments to the Act were:

- a. Establishment of a public consultation mechanism (Article 4-1).
- b. Establishment of term and reappointment limits for collective management organization directors and supervisors (Article 15).
- c. Adds the establishment of internal control mechanisms to deal with personnel, financial, and business related issues (Article 19-1).
- d. Adds the establishment of specialized agency to counsel collective management organizations on the use of innovative technological methods to enhance management efficiency (Article 24).
- e. Adds the establishment of regulations governing the guidance or imposition of fines by a specialized agency in the event of illegal actions by a collective management organization (Articles 41, 42, 44 and 45).

(2) Copyright Collective Management Organization Act:

[https://db.lawbank.com.tw/Eng/FLAW/FLAWDAT0201.aspx?
Isid=FL011266](https://db.lawbank.com.tw/Eng/FLAW/FLAWDAT0201.aspx?Isid=FL011266)

2. In June 2022 the Copyright Act was amended in response to copyright fair use in the development of digital technology

(1) On June 15, 2022, the Copyright Act was amended to promote copyright fair use in response to the high-level development of digital technology, to reconcile social and public interests and promote the development of national culture. The main amendments to the Act were:

- a. Relaxed the necessary scope within which published copyrighted works can be publicly performed or played based on teaching objectives, in response to the need to develop a diverse range of classroom teaching materials (Article 46).

- b. Added regulations on the fair use of works copyrighted by others for remote learning so as to utilize networking technology to conduct remote teaching (Article 46-1).
- c. Amended rules on the fair use compilation of textbooks so that those who compile textbooks can transmit books online in the form of digital files to be used by teachers in response to the needs of distance teaching (Article 47).
- d. Amendment of fair use rules for collection institutions such as libraries, so libraries in Taiwan can, under specific conditions, digitize and reproduce materials in their collection to meet cultural conservation and heritage objectives (Article 48).

(2) Copyright Act:

[https://db.lawbank.com.tw/Eng/FLAW/FLAWDAT0201.aspx?
lsid=FL011264](https://db.lawbank.com.tw/Eng/FLAW/FLAWDAT0201.aspx?lsid=FL011264)

3. In January 2022 the Positive Patent Examination Pilot Program for Startup Companies was rolled out for an

additional year to encourage startup companies to apply for patents

- (1) On January 5, 2021 the Taiwan Intellectual Office (TIPO), Ministry of Economic Affairs, launched a trial run of the Positive Patent Examination Pilot Program for Startup Companies to encourage startups to apply for patents and assist startups with research capability to rapidly determine the possibility of obtaining patents and obtaining patent rights.
- (2) TIPO, Ministry of Economic Affairs amended the Positive Patent Examination Program for Startup Companies and on January 1, 2022, re-launched a one year trial of the improved program. During the amended trial program, the maximum number of cases to be processed per month was set at six and each startup company was allowed to file a maximum of five applications per year. In addition, in order to make it easier for applicants to understand application procedures the TIPO website provides a Positive Patent Examination Pilot Program for Startup Companies Q&A.

- (3) Positive Patent Examination Pilot Program for Startup Companies
website, TIPO, Ministry of Economic Affairs:

<https://www.tipo.gov.tw/tw/cp-85-899769-5bce4-1.html>

4. On November 1, 2021 a one year Pilot Program for Interview of Industrial Cooperative Patent Examination was launched to enhance the quality and efficiency of patent examinations

- (1) On November 1, 2021, TIPO, the Ministry of Economic Affairs launched a one year Pilot Program for Interview of Industrial Cooperative Patent Examination. This enables patent review personnel to more quickly grasp the technical content of forward-looking technology related patents, enhances the quality and efficiency of patent reviews and meets the desire of applicants to receive patents as soon as possible to boost their patent portfolio.
- (2) The TIPO website provides a Pilot Program for Interview of Industrial Cooperative Patent Examination Q&A and Pilot Program for Interview of Industrial Cooperative Patent

Examination Willingness Document sections to help applicants better understand the application process. Moreover, the forward-looking technology focused on by this program includes: stem cell and regenerative medicine, quantum computing, 3nm semiconductor manufacturing, third generation semiconductor materials, artificial intelligence, Internet of things, blockchain and 5th generation mobile networks.

- (3) Pilot Program for Interview of Industrial Cooperative Patent Examination website, TIPO, Ministry of Economic Affairs:

<https://www.tipo.gov.tw/tw/cp-85-897801-406fd-1.html>

5. On March 1, 2022, “Remote Patent Application Interviews” were introduced in response to the COVID-19 pandemic

- (1) On March 1, 2022 Remote Patent Application Interviews were officially introduced based on the availability of communications technology and in response to the COVID-19 pandemic. For example, during the COVID-19 pandemic many people were unable to go to a TIPO office for in person interviews so it was

decided to relax related venue and information regulations to permit remote patent interviews through the use of technology, to facilitate the review process while also ensuring the process remains transparent and fair.

(2) This measure allows applicants and patent agents to choose an appropriate location to conduct an online video conference meeting with TIPO officials where they can directly engage in a three-way video interview with patent review officials. For example, if an applicant is in Japan and the patent agent is in an office in Taiwan, a video interview can be directly conducted with officials without having to go to a TIPO office, thereby saving on the need for long journeys while also enhancing the efficacy of reviews and services.

(3) In concert with the introduction of this new measure on March 1, 2022, TIPO amended the Taiwan Intellectual Property Office Patent Interview Operational Guidelines. The main amendments were:

- a. Relaxation of applications, other than those for patent invalidation, allowing applications and remote interviews at venues other than TIPO offices, to ensure remote video conference interviews proceed smoothly and remain confidential (Point 6, Paragraph 2).
- b. Addition of conditions to which remote video conference interview locations must conform. These include a provision that locations must be non-public and are required to be equipped with software and hardware equipment to conduct remote video interviews designated by TIPO (Point 6, Paragraph 2).

(4) Key points for patent application interviews, TIPO, Ministry of Economic Affairs:

[https://db.lawbank.com.tw/FLAW/FLAWDAT0202.aspx?
lsid=FL011254&ldate=20220224](https://db.lawbank.com.tw/FLAW/FLAWDAT0202.aspx?lsid=FL011254&ldate=20220224)

B. Protecting the Rights of Minority Shareholders

1. In January 2022, amendments to the Regulations Governing the Acquisition and Disposal of Assets by Public Companies were announced, stipulating that the trading of major related parties at a public company must be approved by a shareholders' meeting

(1) Originally Company Law in Taiwan did not stipulate that the transactions of major related parties must be approved by a shareholders' meeting. In order to enhance management of related parties at public companies and guarantee the right of minority shareholders to express an opinion on transactions by companies and related parties and after referencing the regulations in such important international capital markets as Singapore and Hong Kong where transactions by major interested parties have to be first approved by shareholders' meetings, on January 28, 2022 the Financial Supervisory Commission (FSC) revised Paragraph 5, Article 15 of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies. This sought to avoid public companies using

subsidiaries of non-local public companies to engage in major related party transactions. As a result, a provision was added stipulating that where a transaction is valued at 10% or more of the total assets of a public company, the acquisition and disposal of assets by said public company, a subsidiary of one of its non-local public companies or related parties, the company is required to submit relevant information to a shareholders' meeting and receive approval before proceeding with the transaction.

- (2) Regulations Governing the Acquisition and Disposal of Assets by Public Companies:

<https://db.lawbank.com.tw/Eng/FLAW/FLAWDAT0201.aspx?Isid=FL021987>

2. In June 2022, the Business Mergers and Acquisitions Act was amended to strengthen disclosure merger and acquisition information

- (1) On June 15, 2022, Articles 5 and 12 of the Business Mergers and Acquisitions Act were amended to protect shareholder rights and

implemented six months after promulgation. The main amendments were:

- a. In order to strengthen merger and acquisition information disclosure, a provision was added requiring companies to detail any important information relating to directors as interested parties when explaining the reason for convening a shareholders' meeting and explaining support for or opposition to a merger or acquisition resolution (Article 5).
- b. For those shareholders who attend a shareholders' meeting and vote against a merger or acquisition, a withdrawal mechanism must be in place to protect their share property rights, with a provision added allowing those who oppose a merger or acquisition to also exercise their appraisal rights (Article 12).

(2) Business Mergers and Acquisitions Act:

[https://db.lawbank.com.tw/FLAW/FLAWDAT0201.aspx?
lsid=FL006634](https://db.lawbank.com.tw/FLAW/FLAWDAT0201.aspx?lsid=FL006634)

C. Reform of Real Estate Registration System

1. In July 2022, a new Registration System for the Actual Selling Price of Real Estate Transactions was introduced, to improve the development of the real estate market

(1) In order to improve the real estate deal information declaration and registration system and promote the greater transparency of real estate transaction information, while also giving the competent authority the right to conduct reviews to confirm the accuracy of information and thereby stop the manipulation of pre-sale home transactions and boost market development, on January 27, 2021, Articles 47, 47-3 and 81-2 of the Equalization of Land Rights Act, Article 26-1 of the Real Estate Broking Management Act and Article 24-1 and 29 of the Land Administration Agent Act were amended and implemented on July 1, 2021. The main amendments were:

- a. Regulations on the disclosure of current transaction information in the form of segmented and de-identified data were deleted so that house number and parcel number

information is fully disclosed and ex post facto disclosed cases, so transaction information is more transparent.

- b. New provisions were added requiring those selling pre-sold homes to submit construction project information to the local government in writing for future reference, prior to selling the property, while also including self-sellers within the scope of the Registration System for the Actual Selling Price of Real Estate Transactions. Moreover, the declaration period was brought forward to no later than 30 days after signing a pre-sale home contract so pre-sale home transaction information is more timely.
- c. Provisions were added on the right of the competent authority to examine information and increased fines for repeated failure to make corrections: In situations where files are not submitted on time or where the reported price or surface area are inaccurate, a fine of NT\$30,000 to NT\$150,000 million will be levied based on the household (building). If improvements are not made, the fine will be increased to NT\$300,000 to NT\$1

million per incident, in order to ensure transaction information is accurate.

- d. Clear regulations were added stipulating that when a seller of a pre-sale home receives a deposit, he or she should provide a written deed confirming the underlying asset and price and cannot allow the seller to retain the right to sell or sign a contract for the property or any other rights that run counter to the interests of the buyer. In addition, the buyer cannot transfer the pre-sale home order to a third party.
- e. Provisions have been added enabling the local competent authority to examine related documents from those engaged in a transaction, while also clearly stipulating pricing related documents the Central Competent Authority will examine at related agencies or financial institutions in the event one party is suspected of registering false pricing information.

(2) (i) The Equalization of Land Rights Act:

[https://db.lawbank.com.tw/Eng/FLAW/FLAWDAT0201.aspx?
lsid=FL003043](https://db.lawbank.com.tw/Eng/FLAW/FLAWDAT0201.aspx?lsid=FL003043)

(ii) Land Administration Agent Act:

<https://db.lawbank.com.tw/Eng/FLAW/FLAWDAT0201.aspx?>

[Isid=FL003291](https://db.lawbank.com.tw/Eng/FLAW/FLAWDAT0201.aspx?)

(iii) Real Estate Broking Management Act:

<https://db.lawbank.com.tw/Eng/FLAW/FLAWDAT0201.aspx?>

[Isid=FL003265](https://db.lawbank.com.tw/Eng/FLAW/FLAWDAT0201.aspx?)

2. In July 2021, the Regulations of the Land Registration was amendments to facilitate online applications for land registration

(1) In response to the trend toward smart government and digital transformation, the promotion of online applications for land registration and online land registration statements that allow interested parties to not be present in person, thereby optimizing registration services and making land administration business more convenient, on July 13, 2021 the Ministry of the Interior amended the Regulations of the Land Registration. The main amendments were:

- a. Rules stipulating online applications for land registration include full online registration and non-full online registration, and clear regulations on who is allowed to apply for online land registration, documents to be submitted, method of payment, follow up registration handling procedures and the preservation of electronic files used for registration (Articles 35, 36, 37, 47, 53, 54, 65, 67, Article 70-1 to 70-7).
- b. In order to promote land registration online statements, regulations were introduced that allowed individuals amending land registration, registered nominee applicants for advanced registration, applications for the cancellation of advanced registration by the original advanced registration claimant to do so without appearing in person (Articles 41, 137, 146).

(2) Regulations of the Land Registration:

[https://db.lawbank.com.tw/Eng/FLAW/FLAWDAT0201.aspx?
Isid=FL003036](https://db.lawbank.com.tw/Eng/FLAW/FLAWDAT0201.aspx?Isid=FL003036)

II. Judicial Effectiveness

A. Replacing Grand Justices Council interpretation with Constitutional Court judgement Constitutional Court Procedure Act implemented in January 2022

1. The Constitution has the function of protecting the basic rights of the people. The subject of constitutional review by the Grand Justices was originally limited to the abstract legal rule applied to the case for which the petitioner requests constitutional interpretation and did not extend to the court judgement (judgment); misunderstanding or ignoring of basic rights when interpreting and applying the law by the court in deciding the final judgment or violating or ignoring commonly understood constitutional values and other suspected violations of the Constitution could not be subject to constitutional review, leaving a gap in protection of human rights.
2. In order to make the constitutional review system in Taiwan complete to achieve the intention of the Constitution of protecting human rights and meet the demands of various

quarters in society for the bringing into play of the Grand Justices' constitutional interpretation function and increased transparency of the constitutional interpretation procedure, on January 4, 2019 President announced the amended Constitutional Court Procedure Act (name changed from Constitutional Interpretation Procedure Act) and it was implemented on January 4, 2022. The key points of amendment:

- a. Judgementification and courtification: The Grand Justices form a Constitutional Court to hear legal rule and judgment constitutional review, with the result of review announced as a judgement (Articles 1, 2, 3); when necessary the wording can (should) be debated in an open court (Articles 25, 26, 27).
- b. Publicizing the authoring justice: To increase the transparency of the turning of the Constitutional Court judgement into result, the authoring justice system is adopted and whether the justices agree with the text or not made public (Article 33).
- c. Review case judgement: After exhaustion of all ordinary judicial remedies, any person who believes that a final court decision

that finds against her or him or a legal provision applied in such a court decision contravenes the Constitution may lodge a petition with the Constitutional Court for a judgment declaring the decision or the impugned legal provision unconstitutional (Article 59).

d. Lowering the voting threshold: The admissibility of petitions shall be decided by a majority of the Justices who have taken part in the proceedings with a quorum of a majority of the total number of the incumbent Justices of the Constitutional Court taking part in the proceedings (Article 30).

3. Figures from the implementation of the Constitutional Court Procedure Act in January 2022 to the end of May:

a. The Constitutional Court accepted 492 new petitions, an average of 98.4 per month, an increase of almost 100% compared to the Grand Justices Council era. Most of the petitions are from the people and most, 483, are legal rule and Constitutional Complaint Concerning a Judgement cases.

b. Of the 275 cases heard by the Constitutional Court, 275 were closed, with 90.55% not accepted, giving a case acceptance rate of 6.74%, slightly below the acceptance rate of 7.51% of the Grand Justices Council era (2011-2021). However, as the statistical interval is short, the trend will continue to be observed.

Table 2 Judgements by Taiwan Constitutional Court

January-June, 2022

Judgement	Judgement case name	Constitutional or not
TCC Judgment 111-Hsien-Pan-1 (2022)	Case of forced blood drawing to test alcohol level of a driver who caused an accident	No
TCC Judgment 111-Hsien-Pan-2 (2022)	Case of forced apology	No
TCC Judgment 111-Hsien-Pan-3 (2022)	Case of counterappeal against judgment of detention by defendant's	No

	defender	
TCC Judgment 111-Hsien-Pan-4 (2022)	Case of indigenous identity for children who are produced by marriage between indigenous person and non-indigenous person	No
TCC Judgment 111-Hsien-Pan-5 (2022)	Case of cross-year offset between profits and losses by profit-oriented business	Yes
TCC Judgment 111-Hsien-Pan-6 (2022)	Case of dispute over authority over Ractopamine residue standard	Yes
TCC Judgment 111-Hsien-Pan-7 (2022)	Case of relief for defender's right to be present and take notes during investigation	No
TCC Judgment 111-Hsien-Pan-8 (2022)	Case of preliminary injunction for change of guardian	No

TCC Judgment 111-Hsien-Pan-9 (2022)	Case of dismissal of civil servant for grade D in performance evaluation	Yes
TCC Judgment 111-Hsien-Pan-10 (2022)	Case of dismissal of police and firefighters for accumulation of two major demerits	Yes

5. (i) Constitutional Court Procedure Act:

[https://db.lawbank.com.tw/Eng/FLAW/FLAWDAT0201.aspx?
lsid=FL000849](https://db.lawbank.com.tw/Eng/FLAW/FLAWDAT0201.aspx?lsid=FL000849)

(ii) Constitutional Court judgement website:

<https://cons.judicial.gov.tw/judcurrentNew1.aspx?fid=38>

B. Commercial Court will hear major Commercial disputes Commercial Case Adjudication Act implemented in July 2021

1. For the prompt, proper and professional handling of commercial disputes, assist business management operation, provide an

effective supervisory mechanism and implement corporate governance principles such as business operator responsibility, for professional case acceptance and efficient hearing and with the hope that the judgements of the Commercial Court will be consistent and predictable to promote the environment for doing business and increase international competitiveness, President announced the Commercial Case Adjudication Act which came into effect on July 1, 2021. The key points are:

- a. The scope of commercial litigation cases and commercial non-litigation cases (Article 2).
- b. Adoption of Mandatory Legal Representation system (Articles 6, 7, 9, 11, 12).
- c. Requires litigation documents to be transmitted via the e-filing transmission system (Articles 14, 15).
- d. If there is technological equipment available for the parties, related parties, legal representatives, agents ad litem, assistants, expert witnesses, other parties related to the proceedings, and the court to use for simultaneous transmission of audio and

video that makes a live hearing of a case possible and is deemed appropriate by the court, the court may, on a petition or ex officio, hear the case using such equipment (Article 18).

e. Commercial mediation procedure (Articles 20, 23, 24, 25, 26, 28, 29, 32).

f. In preparation for making assertions or providing proof, the parties may request the opposing parties to make specific explanations of necessary matters relating to facts or evidence within the time period designated by the court or before the end of the preparatory proceedings (Articles 43, 45).

g. Expert witness system (Articles 47, 49, 50, 51, 52).

2. Since the Commercial Case Adjudication Act was implemented on July 1 2021, there has been some external discussion about the excessive narrowness of the scope of the commercial cases accepted by the Commercial Court. To meet economic and trade trends domestically and internationally and enhance corporate governance and benefit the environment for doing business, there was necessity to expand the scope of commercial cases over which

the Commercial Court has jurisdiction. On May 17, 2022, an administrative rule with the following adjustments was announced in line with the provisions of Paragraph 5 of Article 2 of the Commercial Case Adjudication Act:

- a. The litigation subject amount or price of NT\$ (same below) of more than NT\$100 million originally stipulated in Subparagraph 1, 2 and 6 of Paragraph 2 of Article 2 has been lowered to more than 30 million.
- b. The capital value of non-publicly traded companies that have control or affiliation relationships with publicly traded companies of more than NT\$500 million originally stipulated in Subparagraph 5, Paragraph 2 of Article 2 has been lowered to over NT\$100 million.

3. Commercial Case Adjudication Act:

<https://db.lawbank.com.tw/Eng/FLAW/FLAWDAT0201.aspx?>

[lsid=FL092711](https://db.lawbank.com.tw/Eng/FLAW/FLAWDAT0201.aspx?lsid=FL092711)

III. Government Integrity

A. Promoting clean government reform Act on Property-Declaration by Public Servants amended in June 2022

1. Paragraph 2, Article 6 of the Act on Property-Declaration by Public Servants originally stipulated that property declarations by the President and Vice President, the President and Vice President of the Five Yuan (Executive Yuan, Legislative Yuan, Judicial Yuan, Examination Yuan, and Control Yuan; political officials, legislators, mayors of special municipalities and cities/counties should be announced; those of special municipality and city/count councilors did not need to be announced.
2. In order to achieve the legislative aim of making the property held by civil servants transparent, the amended Act on Property-Declaration by Public Servants was announced on June 22, 2022. The key points of amendment:
 - a. Added the requirement that property declarations by city and county councilors should be posted online and that the

declarations should be announced online until one year after the loss of the identity that required the declaration to be made (Paragraph 2, Article 6).

b. B. Amendment made requiring that, on the day of acceptance of the declarations of the election candidates of the President and Vice President of the ROC and of other public servants above county (city) level, the responsible property declaration agencies (institutions) shall review and compile the received declarations into booklets for public access (Paragraph 1, Article 6).

c. Added requirement that when city/county councilors declare property, they should annually declare changes in their own property and that of their spouse and underage children. the regulation is the same as for legislators and councilors of special municipalities (Article 8).

3. Act on Property-Declaration by Public Servants:

<https://db.lawbank.com.tw/Eng/FLAW/FLAWDAT0202.aspx?>

[Isid=FL010649](#)

B. Anti-Money Laundering and Countering Terrorism Financing

1. Regulations Governing the Establishment and Administration of Foreign Currency Exchange Counters amended in January 2022

(1) In response to the suggestions after evaluation of the Asia / Pacific Group on Money Laundering, to raise the level of AML/CFT and enhance the management of foreign currency handling, the Central Bank amended the Regulations Governing the Establishment and Administration of Foreign Currency Exchange Counters on January 26, 2021. The key points of amendment:

- a. The amount of each foreign currency exchange transaction for each customer handled by a foreign currency exchange counter lowered from US\$10,000 to US\$ 3,000 or its equivalent (Article 3).
- b. Added requirement for saving of documents such as enhanced checking, suspicious transaction and individuals subject to

sanctions and provide the documents the regulations require to be saved in the event of investigation (Article 4, 13).

c. Added the requirement that when an eligible company applies to establish a foreign exchange counter, a Police Criminal Record Certificate for the person in charge and the person with ultimate control shall be submitted; and when the matters recorded on the foreign exchange counter license are changed, application for change should be made to the Bank of Taiwan (Article 5).

(2) Regulations Governing the Establishment and Administration of Foreign Currency Exchange Counters:

<https://db.lawbank.com.tw/Eng/FLAW/FLAWDAT0202.aspx?>

[Isid=FL007941](https://db.lawbank.com.tw/Eng/FLAW/FLAWDAT0202.aspx?Isid=FL007941)

2. Regulations Governing Internal Audit and Internal Control System of Anti-Money Laundering and Countering Terrorism Financing of Banking Business and Other Financial Institutions Designated by the Financial Supervisory Commission amended in December 2021

(1) In line with the amended The Act Governing Electronic Payment Institutions announced on January 27, 2021 and implemented on July 1, 2021, allowing electronic payment institutions to handle domestic and foreign small-amount remittances services and migrant worker remittance companies to handle small amount over remittance services, bringing electronic payment institutions and migrant worker remittance companies within the scope of financial institutions in Paragraph 5, Article 5 of the Money Laundering Control Act on December 14, 2021, the FSC amended the Regulations Governing Internal Audit and Internal Control System of Anti-Money Laundering and Countering Terrorism Financing of Banking Business and Other Financial Institutions Designated by the Financial Supervisory Commission. The key points of amendment:

- a. Amended the scope of "other financial institutions" designated by the Financial Supervisory Commission" (Article 2).

b. Added provision governing the matters to be followed by “other financial institutions” designated by the Financial Supervisory Commission” when conducting remittance services (Article 5).

c. Added provision on handling of anti-money laundering and Countering the Financing of Terrorism education and training by migrant worker remittance companies (Article 9).

(2) Regulations Governing Internal Audit and Internal Control System of Anti-Money Laundering and Countering Terrorism Financing of Banking Business and Other Financial Institutions Designated by the Financial Supervisory Commission:

<https://db.lawbank.com.tw/Eng/FLAW/FLAWDAT0202.aspx?>

[Isid=FL088351](https://db.lawbank.com.tw/Eng/FLAW/FLAWDAT0202.aspx?Isid=FL088351)

C. Anti-corruption measures

1. Continuing to hold government agency anti-corruption evaluation

The Agency Against Corruption (AAC) began implementing the Integrity Awards anti-corruption evaluation system in 2019 to encourage agencies to autonomously review integrity measures; an external third party fairly participates in judging. In 2022, the Integrity Awards were extended to include all central government agencies and local government.

2. Taiwan' s ranked 25th globally in 2021 on the Corruption Perceptions Index, the highest ever

Transparency International released its 2021 Corruption Perceptions Index in January 2022. Out of the 180 countries and regions rated, Taiwan ranked 25th, up by three places on 28th in 2020; the score increased by three points on 2020, going up from 65 to 68, Taiwan' s highest score ever.

3. Building and refining an agency procurement clean government platform

In 2016, the Agency Against Corruption (AAC) promulgated the Agency Procurement Clean Government Platform Implementation Plan. In coordination with the requirements of

the leader, a procurement integrity platform was formed together by ethics units in coordination with prosecutor, investigation, anti-corruption and auditing agencies, the Public Construction Commission, Executive Yuan, related suppliers, and stakeholders. The integrity platform was listed as a NDC Open Government Action Plan commitment in 2020 to allow data access convenience and usability to better meet people' s needs The Ministry of Justice announced the Principles for Graded Establishment of the Agency Procurement Clean Government Platform in April, 2022 to enhance the establishment management strategy and ensure operating efficiency going forward.

4. Advocating corporate integrity and rooting clean government education

In 2021, the AAC held activities including a Corporate Integrity Forum with the Ministry of Labor, Ministry of Economic Affairs, Ministry of Science and Technology and the Ministry of Transport and Communications to advocate corporate integrity and legal

compliance. They continue to be held in 2022 combining related central agencies and local government. Each ethics institution is encouraged to utilize digital teaching materials such as animation, AR, VR and microfilms.

5. Trial implementation of corporate service integrity platform

The Ministry of Justice approved the Corporate Service Integrity Platform Pilot Program in April, 2022. The ACC promotes pilot operations together with the piloting agencies. Corporate services are provided according to the Program and the characteristics of agency operations. Through Corporate Integrity Forum exchange, legal compliance integrity guidance and other methods, the public and private sector actively join hands to create a clean quality investment environment.

6. Promoting the holding of national project checks

Clean government high-risk operations such as “hindering green industry development” are selected for project checks, systematically unearthing corruption problems and continuing to

handle effective prevention measures to reduce clean government risk in operations susceptible to corruption.

7. Review of implementation of the United Nations Convention Against Corruption (UNCAC)

To initiatively review the UNCAC execution situation, Taiwan announces a national report every April and handles international review. In 2018, the initial national report was announced, and international review meeting held and a mid-term report was announced in 2020. The second national report was announced in April, 2022; the second international review meeting will be held August 30-September 2 this year.

IV. Business Freedom

A. Increasing the inclusiveness of women' s participation in economic activities

1. Judicial Yuan Interpretation No. 807 on August 20, 2021 declared that the provision restricting female laborers from working at night violates the intent of Article 7 of the Constitution of the Republic of China to guarantee gender equality

(1) Paragraph 1, Article 49 of the Labor Standards Act states that

“An employer shall not make his/her female worker perform work between ten o’ clock in the evening and six o'clock the following morning. However, with the consent of a labor union, or if there is no labor union in a business entity, with the approval of a labor-management conference, and the following requirements in each subparagraph are met, the preceding restrictions are not applied: 1. The necessary safety and health facilities are provided. 2. When there is no public transportation facilities available, transportation facilities are provided or

dormitories for female workers are arranged.” Grand Justices of Judicial Yuan Interpretation No. 807 on August 20, 2021 declared that the provision restricting female laborers from working at night violates the intent of Article 7 of the Constitution of the Republic of China to guarantee gender equality, and should lose its validity as of the publication of this Interpretation.

- (2) Interpretation No. 807 holds that although the aforementioned provision regulates employers, the result is not only a ban on female laborers from working at night, but the exception still requires the consent of the labor union or labor-management conference, thus restricting employment opportunities for female laborers while there is no restriction for male laborers to work at night, for whom working at night does not require the consent of the labor union or the labor-management conference. It is evident that sex is used as the classification standard, resulting in a disadvantage of differential treatment for female laborers.

(3) After the publication of Judicial Yuan Interpretation No. 807 was published, the Ministry of Labor issued a letter of interpretation on the application of Article 49 of the Labor Standards Act on September 30, 2021. The summary is as follows:

- a. On August 20, 2021, the Judicial Yuan Interpretation No. 807 declared that Paragraph 1, Article 49 is unconstitutional and should lose its validity from the date. However, Paragraph 3 of the same article remains unaffected and in effect. Therefore, when a female worker is unable to work between ten o' clock in the evening and six o' clock in the following morning due to health or other justifiable reasons, the employer shall not force her to work.
- b. As for Paragraph 5, Article 49 of the Act restricting female laborers who are pregnant or breastfeeding from working at night, the Interpretation does not deny the necessity of maternity protection. Moreover, maternity protection is not only a universal value upheld by the international community

but also specified in Article 156 of the Constitution. Therefore, the Paragraph remains valid.

(4) Judicial Yuan Interpretation No. 807:

<https://cons.judicial.gov.tw/docdata.aspx?fid=100&id=310988>

2. Articles 15 and 19 of the Act of Gender Equality in Employment were amended in January 2022 to facilitate women' s participation in economic activities

(1) Article 12 of the Convention on the Elimination of All Forms of Discrimination Against Women stipulates that signatories shall take all appropriate measures to eliminate discrimination against women in the field of health care in order to ensure, on a basis of equality of men and women, access to health care services, including those related to family planning. To this end, Article 15 of the Act of Gender Equality in Employment was amended and promulgated on January 12, 2022. The summary of the amendment is as follows:

- a. During an employee' s term of pregnancy, their employer shall grant seven instead of five days of leave for pregnancy checkups (Paragraph 4).
- b. When an employee accompanies their spouse for pregnancy checkups or the spouse is in labor, their employer shall grant the employee seven instead of five days off as pregnancy checkup accompaniment and paternity leaves (Paragraph 5) is newly added.
- c. Regular wages shall be paid for "paternity leave" is newly added. (Paragraph 6).
- d. For the payment of wages for the periods of pregnancy checkups, pregnancy checkup accompaniment and paternity leaves, employers may apply for subsidies to the central competent authority (Paragraph 7) is newly added.
- e. The distribution of the aforementioned subsidies shall be handled by the Bureau of Labor Insurance of the Ministry of Labor (Paragraph 8) is newly added.

(2) Most companies in Taiwan are small and medium-sized enterprises. To enable these employees to achieve work-life balance, and to take into account the human resource deployment of employers, Paragraph 2, Article 19 of the Act of Gender Equality in Employment was added on January 12, 2022, stating that employees hired by employers with “fewer than 30 employees” may request to apply the provision of Paragraph 1 (targeting employees hired by employers with “more than 30 employees) upon mutual consent with the employer on reducing or rescheduling working hours.

(3) Act of Gender Equality in Employment:

[https://db.lawbank.com.tw/Eng/FLAW/FLAWDAT0201.aspx?
Isid=FL015149](https://db.lawbank.com.tw/Eng/FLAW/FLAWDAT0201.aspx?Isid=FL015149)

3. Article 19-2 of the Employment Insurance Act was amended on January, 2022, to allow husband and wife to apply for the parental leave allowance at the same time

(1) The parental leave allowance for workers is stipulated in Article 19-2 of the Employment Insurance Act. Paragraph 1, Article 19-2 of the Employment Insurance Act stipulates that the parental leave allowance is counted as 60% of the average monthly insurance salary for the 6 months period before the month parental leave without pay begins. During the insured person's parental leave with payment period, the allowance is granted every month and the maximum allowance period for each child is 6 months.

(2) The parental leave allowance intends to provide subsidies for part of the insured person's loss of income during the period of parental leave without pay and to stabilize employment. The "Employment Insurance Act" was amended and promulgated on January 12, 2022, to remove Paragraph 3, Article 19-2 which states that both parents who are insured cannot apply for parental leave allowance at the same time, coming into force on January 18, 2022. From then on, both parents can apply for

parental leave allowance at the same time, ensuring the allowance application meets the actual needs of the insured.

(3) Employment Insurance Act:

[https://db.lawbank.com.tw/ENG/FLAW/FLAWDAT0201.aspx?
Isid=FL023221](https://db.lawbank.com.tw/ENG/FLAW/FLAWDAT0201.aspx?Isid=FL023221)

B. Amendments to relevant laws and regulations on business freedom

1. The Company Act was amended in December 2021 to allow shareholders' meetings via video conferences in response to the COVID-19 pandemic

(1) Articles 172-2 and 356-8 of the previous version of the Company Act stipulated that if a company wishes to hold a shareholders' meeting via video conference, it must "first convene a face-to-face shareholders' meeting" before stating that such video conferences can be held in the company's Articles of Incorporation after gaining the consent of the shareholders' meeting. The COVID-19 pandemic in Taiwan worsened in Taiwan In May 2021, and June was the peak season for shareholders'

meetings. As a result, many companies were unable to hold face-to-face shareholders' meetings as scheduled, which brought the question of whether the meetings could be held via video conference to the table.

- (2) To solve the issue of the COVID-19 pandemic causing companies problems for hosting face-to-face shareholders' meetings, Articles 172-2 and 356-8 of the Company Act were amended on December 29, 2021. Besides explicitly stating in the Articles of Incorporation that shareholders' meetings can be held by means of video conference, "under the circumstances of calamities, incidents, or force majeure, the central competent authority may promulgate a ruling that authorizes a company, which has no above provision in its Articles of Incorporation, within a certain period of time can hold its shareholders' meeting by means of video conference or other promulgated methods" was added as the solution for not being able to hold face-to-face shareholders' meeting as scheduled.

(3) Company Act:

[https://db.lawbank.com.tw/Eng/FLAW/FLAWDAT0201.aspx?
lsid=FL011292](https://db.lawbank.com.tw/Eng/FLAW/FLAWDAT0201.aspx?lsid=FL011292)

2. The Commodity Labeling Act was amended in May 2022 to meet the needs of technological development and consumer protection

(1) Considering the rapid development of commerce and the information technology boom in recent years, online shopping has become one of the main shopping channels for consumers. Moreover, electronic labeling has been integrated into consumers' daily life. In addition, the violation of labeling regulations first required notification for correction. Punitive measures could only be taken if correction was not made within the given time limit, which made it hard to prevent major violations. To keep up with the modern business environment and protect the rights and interests of consumers, amendments to the Commodity Labeling Act were promulgated on May 18,

2022 and will come into force on May 18, 2023. The key points are as follows:

- a. Added provisions for specific commodities as announced by the competent central authority to be exempted from the regulations of the Commodity Labeling Act (Article 4).
- b. The labeling obligators for commodity labeling and the obligations for labeling are now specified in the Act (Article 5).
- c. Matters labels should show have been amended; and, if the relevant information of domestic manufacturers has changed after the labeling, it is not required to change the labeling of the goods that have been circulated in the market, and the changes shall be made public in a way that consumers can know at any time (Article 6) is newly added.
- d. Added specific categories of commodity may be labeled electronically to accommodate technological, industry or economic development as determined by the central competent authority (Article 10).

- e. After amendment, certain items may be labeled by common international words or symbols, or only in English or other foreign languages for specific items as announced by the central competent authority (Article 11).
- f. Added that local authorities may visit manufacturers, entities commissioning the manufacture, importers, repackaging operators, or other commodity manufacturing, storage, or repackaging premises for inspection (Articles 14 and 19).
- g. Added when goods are sold on the Internet, platform operators have the obligation to provide information and penalty for violation (Articles 15 and 20).
- h. The penalty mechanism is revised where a penalty may be imposed directly without notification for rectification if the violation of the law is significant or poses an immediate danger to health, as opposed to a fine being imposed only if correction is not made within the time limit after notification (Articles 16, 17 and 18).

(2) Commodity Labeling Act:

<https://db.lawbank.com.tw/Eng/FLAW/FLAWDAT01.aspx?>

[lsid=FL011302](#)

3. The Business Mergers and Acquisitions Act was amended in June, 2022 to increase the flexibility of business mergers and acquisitions

(1) To increase the flexibility of mergers and acquisitions, as well as relaxing the scope of application for whale-minnow mergers and providing tax flexibility, the amended Business Mergers and Acquisitions Act was announced on June 15, 2022, and will come into force after 6 months. The key points are as follows:

a. The regulations have been relaxed so that a whale-minnow merger may proceed with the Board of Director' s resolution without being presented to the shareholders' meeting if a merging corporation meets either of the following requirements: (1) the merging corporation is using no more than 20% of its total issued shares as consideration for the shares of the merged company, or (2) the merging corporation is using a combination of shares, cash, and other assets that

that are equal to no more than 20% of its total asset value as consideration for the shares of the merged company.”

(Articles 18, 29, 36)

b. Added individual shareholders of merged startups are allowed to defer tax on the amount paid as consideration for the startup' s shares (Article 40-1).

c. Added the acquiring company is allowed to amortize intangible assets acquired in the transaction for the relevant statutory period or ten years. This amortization rule should help the acquiring corporation calculate its tax burden more easily (Article 44-1).

(2) Business Mergers and Acquisitions Act:

<https://db.lawbank.com.tw/FLAW/FLAWDAT0201.aspx?>

[Isid=FL006634](https://db.lawbank.com.tw/FLAW/FLAWDAT0201.aspx?Isid=FL006634)

C. Reform of obtaining electricity

1. The Guidelines for the Installation of Renewable Energy Generation Equipment were amended in May 2022 to

reasonably guarantee the costs for photovoltaic equipment installation

(1) In order to reasonably guarantee the right to grid interconnection and the feed-in tariff (FIT) for 20 years for renewable energy power generation equipment as stipulated in the Renewable Energy Development Act, the Ministry of Economic Affairs amended Article 14 of the Guidelines for the Installation of Renewable Energy Generation Equipment on May 19, 2022, stating the items to be recorded in the contract for the purchase and sale of electricity (FIT) for the photovoltaic power generation system:

a. For photovoltaic power generation equipment in operation, if all or part of the power grid cannot be interconnected for a certain period of time due to the construction, maintenance and management of the power transmission and distribution enterprise, or other reasons not attributable to the photovoltaic power generation equipment installers such as natural disasters and force majeure incidents, the calculation for the FIT duration

should be temporarily suspended during the period of disconnection.

- b. When the photovoltaic power generation equipment shares joint booster stations set up in accordance with the Guidelines for Setting up Joint Common Stations and Capacity Allocation for the Photovoltaic Electricity Generation Industry, if the joint booster station is replaced, maintained, or experiences natural disasters and force majeure incidents to cause disconnection from all or part of the power grid for a certain period of time, the calculation for the FIT duration should be temporarily suspended during the period of disconnection after the transmission and distribution enterprise has gained the authority' s approval.

(2) Guidelines for the Installation of Renewable Energy Generation Equipment:

<https://db.lawbank.com.tw/FLAW/FLAWDAT0202.aspx?>

[Isid=FL054000](https://db.lawbank.com.tw/FLAW/FLAWDAT0202.aspx?Isid=FL054000)

2. The Guidelines for Setting up Joint Common Stations and Capacity Allocation for the Photovoltaic Electricity Generation Industry were amended in April 2022 to accelerate the integration of photovoltaic electricity into the grid

- (1) To accelerate the integration of photovoltaic electricity into the grid and promote the optimal utilization of Taiwan Power Company' s power grid resources, the Ministry of Economic Affairs guided operators to invest in setting up joint booster stations. On April 27, 2022, the Ministry of Economic Affairs amended the Guidelines for Setting up Joint Common Stations and Capacity Allocation for the Photovoltaic Electricity Generation Industry, adding new application forms in Paragraphs 2 and 3 of Article 2, as well as suitably relaxing the capacity restriction stipulated in Paragraph 1.
- (2) Considering the capacity for grid-connected points of the UHV lines, the installation of joint booster stations and grid interconnection will cause the capacity for certain grid-

connected points to be lower than the minimum capacity allowed for the operators or the minimum capacity for joint booster stations stipulated in Paragraph 1, Article 4. To make full use of the new application forms for the grid-connectable capacity, photovoltaic operators continue to be encouraged to set up joint booster stations.

- (3) Guidelines for Setting up Joint Common Stations and Capacity Allocation for the Photovoltaic Electricity Generation Industry:

[https://db.lawbank.com.tw/FLAW/FLAWDAT0202.aspx?
Isid=FL096465](https://db.lawbank.com.tw/FLAW/FLAWDAT0202.aspx?Isid=FL096465)

V. Labor Freedom

A. Enhancing the labor market participation rate

1. The Act for the Recruitment and Employment of Foreign Professionals was amended in July 2021 to enhance the recruitment and employment of foreign professionals

- (1) The Act for the Recruitment and Employment of Foreign Professionals was amended and promulgated on July 7, 2021 and came into force on October 25, 2021 to enhance the recruitment and employment of foreign professionals. The measures include relaxing rules regarding visas, work and residence for foreign professionals, as well as optimizing insurance, tax, retirement and other benefits to increase the incentive for foreign special professionals to come to and stay in Taiwan. The key points are as follows:
 - a. The definition for foreign special professionals has been expanded to include those with the expertise in national

defense or other fields as recognized by the competent authority (Article 4).

b. A foreigner who has obtained a bachelor's or higher degree from one of the world's top universities does not need 2 years of work experience to qualify for job-seeking in Taiwan (Article 6).

c. The duration of the Employment Gold Card can be extended (Article 9).

d. A foreign special professional who enters with a visa exemption or holding a visitor visa can directly apply for a resident certificate as opposed to having to first apply for a resident visa before applying for a resident certificate (Article 10).

e. To apply for permanent residency, a foreign special professional has to be physically present in Taiwan for an "average" of 183 days per year as opposed to 183 days each year (Paragraph 1, Article 14).

- f. A foreign special professional may apply for permanent residency after 3 years instead of 5 (Paragraph 3, Article 14).
 - g. After a foreign professional has been approved for permanent residency, their dependents can apply for permanent residency after having resided in Taiwan for over 183 days a year for 3 years (Article 16).
 - h. The lineal ascendant of a foreign special professional or foreign senior professional is entitled to a visitor visa that is valid for one year (Article 18).
 - i. The applicable period of tax incentive for foreign special professionals has been extended from 3 to 5 years (Article 20).
- (2) In accordance with the first part of Paragraph 1, Article 9, of the Act for the Recruitment and Employment of Foreign Professionals, a foreign special professional who plans to engage in professional work in Taiwan may apply direct to the NIA for a four-in-one Employment Gold Card that combines work permit, resident visa, Alien Resident Certificate and re-entry permit. Since the Act for the Recruitment and Employment of Foreign Professionals came

into force on February 8, 2018 till June 30, 2022, a total of 5,364 people have received the Employment Gold Card with the trend of rapid increase in the number of foreign special professionals who apply for the Employment Gold Card year by year. See Table 3:

Table 3 Table of the Number of Employment Gold Card Recipients

Year	Number of Employment Gold Card Recipients
2018	188
2019	358
2020	1,399
2021	1,982
2022 (as of June 30)	1,437
Total Number of Employment Gold Card Recipients	5,364

Source: National Development Council

(3) Act for the Recruitment and Employment of Foreign Professionals:

[https://db.lawbank.com.tw/Eng/FLAW/FLAWDAT0202.aspx?
Isid=FL086919](https://db.lawbank.com.tw/Eng/FLAW/FLAWDAT0202.aspx?Isid=FL086919)

2. The Regulations Governing Permits for People from Hong Kong and Macau Setting up Residence or Permanent Residence in R.O.C. were amended in June 2022 to enhance the recruitment and employment of professionals from Hong Kong and Macau

- (1) To enhance the recruitment and employment of professionals from Hong Kong and Macau, as well as meeting their needs for family reunification and job-seeking, the Ministry of the Interior amended the Regulations Governing Permits for People from Hong Kong and Macau Setting up Residence or Permanent Residence in R.O.C. on June 13, 2022. The key points are as follows:
 - a. In line with the amended Act for the Recruitment and Employment of Foreign Professionals, special professionals, professionals and students can have their residency extended from 6 months to a maximum of one year for job-seeking

purposes. Rules regarding residency and residency extension for Employment Gold Card applicants and accompanying dependents have equally been relaxed (Articles 25 , 26).

b. People from Hong Kong and Macau who obtained their master' s degree or PhD in Taiwan can have this period counted towards their duration of residency if they wish to work in Taiwan and apply for residency afterwards (Article 29).

(2) Regulations Governing Permits for People from Hong Kong and Macau Setting up Residence or Permanent Residence in R.O.C.:

[https://db.lawbank.com.tw/Eng/FLAW/FLAWDAT0201.aspx?
Isid=FL016570](https://db.lawbank.com.tw/Eng/FLAW/FLAWDAT0201.aspx?Isid=FL016570)

3. The Reviewing Standards and Employment Qualifications for Foreigners Engaging in the Jobs Specified in Subparagraph 8 to 11, Paragraph 1 to Article 46 of the Employment Service Act were amended in April 2022 to allow employers to hire foreigners for engaging in intermediate technical work

(1) In line with the categories of intermediate technical work and hiring conditions approved by the Executive Yuan on February 17, 2022 in the Retention of Foreign Intermediate Skilled Workforce Program, as well as increasing work incentives for foreign special professionals, the Ministry of Labor amended the Reviewing Standards and Employment Qualifications for Foreigners Engaging in the Jobs Specified in Subparagraph 8 to 11, Paragraph 1 to Article 46 of the Employment Service Act on April 29, 2022 while taking into consideration the clarity of the standards. The key points are as follows:

- a. To clarify the regulations and stay in line with the provisions of Subparagraph 8-11, Paragraph 1 to Article 46 of the Employment Service Act, housemaid jobs, institutional nursing jobs and family nursing jobs have been included in the regulations (Articles 3 and 4).
- b. In line with the categories of intermediate technical work approved by the Executive Yuan on February 17, 2022 in the Retention of Foreign Intermediate Skilled Workforce Program,

dedicated chapters and tables have been added to regulate the qualifications of the employers and foreigners, allocation ratios and salaries (Article 6, Articles 61-64).

- c. To protect the rights to employment for citizens, limits to the number applications have been imposed on employers for specialized or technical work specified in Subparagraph 1, Paragraph 1 to Article 46 of the Employment Service Act, and intermediate skilled workforce specified in Subparagraphs 8-10, Paragraph 1 of Article 45. In addition, as the approved number for oceanic fishing jobs, family nursing jobs and institutional nursing jobs does not follow a fixed ratio, in order to avoid repeatedly approving of the quota of foreigners that can be hired, the number of foreigners hired by the employer for intermediate skilled workforce is clearly defined (Articles 9, 11, 17, 22).
- d. To increase work incentive for foreign special professionals, self-employed foreign special professionals can now be hired for family nursing jobs (Article 13).

- e. The calculation and regular inspection of the number of employees hired by employers to work in manufacturing jobs are specified in the tables. Specific time schedules for which there is no application nowadays, specific manufacturing processes in 2007, major investments, new rules for investments in 2013 and investments from overseas Taiwanese business people have been deleted (Articles 24, 25, 34, 36).
- f. In line with the Action Plan for Manpower Supply in Offshore Wind Power Industry approved by the Executive Yuan on July 26, 2021, employers in the offshore wind power industry may now obtain the application period and number of applications for the initial recruitment permit required for hiring foreigners, the upper limit and calculation of the total number of foreigners employed, the period for the employers to apply for certification to the central competent authority, the on-site inspection of employer qualifications and the ratio of the number of foreign workers (Articles 30 to 32, 34).

- g. The duration of approval in the Action Plan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan has been modified (Article 32).
 - h. The calculation and regular inspection of the number of employees hired by employers to work in a slaughterhouse are specified in the tables (Articles 49, 51).
- (2) Reviewing Standards and Employment Qualifications for Foreigners Engaging in the Jobs Specified in Subparagraph 8 to 11, Paragraph 1 to Article 46 of the Employment Service Act:

[https://law.moj.gov.tw/ENG/LawClass/LawAll.aspx?
pcode=N0090029](https://law.moj.gov.tw/ENG/LawClass/LawAll.aspx?pcode=N0090029)

B. The basic wage was raised in January 2022 to improve the living standards of disadvantaged workers

1. The setting of the basic wage aims at eliminating unfairly low wages due to the asymmetry in labor-management relations and the socio-economic situation. As a result, setting the minimum wage standard through the government review mechanism can

improve the minimum essential standard of living and purchasing power of low-income disadvantaged laborers. This is especially important for disadvantaged workers whose wages are on the margins of the basic wage. Article 21 of the Labor Standards Act stipulates that wages shall be negotiated by both parties but shall not be lower than the basic wage. The basic wage shall be drafted by the Basic Wage Review Committee set up by the Ministry of Labor and submitted to the Executive Yuan for approval.

2. To effectively improve domestic wages and improve people's lives, Taiwan has raised the basic wage for six consecutive years from May 2016 to January 2022. From January 2022, the monthly basic wage has been adjusted from NT\$24,000 to NT\$25,250. The adjustment targets disadvantaged workers who receive a monthly wage. The basic hourly wage was adjusted from NT\$160 to NT\$168 to target young workers, women who are re-employed and middle-aged and elderly workers who are paid by the hour. It is estimated that nearly 2 million Taiwanese workers will benefit from the basic wage hike.

C. The Regulations for the Implementation of the Employment Promotion Allowances were amended in July 2021 to help the unemployed return to the job market in a timely manner

1. In order to help the unemployed with weak employability, improve their workplace adaptability and work capacity so as to facilitate a timely return to the general job market, the Ministry of Labor has formulated the Regulations for the Implementation of the Employment Promotion Allowances as the foundation for giving out temporary work allowances.
2. Article 12 of the previous Regulations stipulates that the standard of subsidy payment is calculated based on the basic hourly wage, and the maximum monthly payment is 176 hours. However, in recent years, the adjustment of the hourly basic wage has become higher than the monthly basic wage. In other words, the monthly payment is higher than the monthly basic wage, which reduces the willingness of the unemployed who engage in temporary work to

accept referrals and return to the general job market, which is not in line with the purpose of temporary work allowance.

3. To balance the gap between the temporary work allowance and monthly basic wage, and to comply with the provisions of Article 28 of the Regulations Governing Employment Enhancement of Unemployed Middle-Aged Persons and Elderly Persons, the payment standard of temporary work allowance should be consistent. On July 1, 2021, the Ministry of Labor amended Article 12 of the Regulations for the Implementation of the Employment Promotion Allowances, stipulating that the payment standard of temporary work allowances shall be based on the basic hourly wage, and the total shall not exceed the monthly basic wage each month, with a maximum duration of 6 months.

4. Regulations for the Implementation of the Employment Promotion Allowances:

[https://db.lawbank.com.tw/Eng/FLAW/FLAWDAT0201.aspx?
Isid=FL022803](https://db.lawbank.com.tw/Eng/FLAW/FLAWDAT0201.aspx?Isid=FL022803)

D. The Guidelines for Subsidizing Business Units for Improving the Working Environment were amended in March 2022 to protect the laborers' health and improve the workforce

1. The Ministry of Labor formulated the Guidelines for Subsidizing Business Units for Improving the Working Environment to state the procedure and standards for business units to apply for subsidies in order to assist employers in creating a healthy working environment and encourage business units to improve the worker working environment as well as physical and mental health measures in the workplace to improve worker and the workforce. To this end, the Ministry of Labor amended the Guidelines for Subsidizing Business Units for Improving the Working Environment on March 31, 2022. The key points are as follows:
 - a. The subsidies for protective facilities or equipment for hazardous work were restricted to the two categories of respiratory protection and hazard prevention for outdoor work

at high temperatures. Nighttime work and protective facilities for work in confined spaces are added in the amendment in Table 3, Guideline 4.

b. The maximum subsidy for engineering improvement is NT\$1.5 million for strengthening the working environment and increasing the amount of subsidy. The maximum subsidy for physical and mental health promotion activities or measures for workers in the workplace is up to NT\$300,000. The application period for this subsidy ends on September 30, 2022 as stated in Table 4, Guideline 4.

2. Guidelines for Subsidizing Business Units for Improving the Working Environment:

<https://db.lawbank.com.tw/FLAW/FLAWDAT0202.aspx?>

[lsid=FL075013&ldate=20220331](https://db.lawbank.com.tw/FLAW/FLAWDAT0202.aspx?lsid=FL075013&ldate=20220331)

VI. Monetary Freedom

A. The Regulations Governing the Declaration of Foreign Exchange Receipts and Disbursements or Transactions were amended in June 2021 to support the relaxing of the operations for electronic payment institutions

1. The Regulations Governing the Declaration of Foreign Exchange Receipts and Disbursements or Transactions were amended on June 29, 2021 in line with the Act Governing Electronic Payment Institutions for electronic payment institutions with permission to engage in small amount foreign exchange business, with the goal of providing user-friendly services. The key points are as follows:
 - a. Definition for the term “electronic payment institution” was added so that electronic payment institutions can engage in small amount foreign exchange business with permission (Article 3).
 - b. Outward remittances of proceeds from the sale of shares by an original foreign shareholder of a primary TWSE (TPEX) listed

company within the territory of the Republic of China or a foreign company registered as an emerging stock company within the territory of the Republic of China can be processed as long as the bank has confirmed that the documents are consistent without notifying the Central Bank (Articles 5, 10).

2. Regulations Governing the Declaration of Foreign Exchange Receipts and Disbursements or Transactions:

<https://db.lawbank.com.tw/Eng/FLAW/FLAWDAT0202.aspx?>

[Isid=FL007948](#)

B. The Directions for Banking Enterprises Assisting Customers to Declare Foreign Exchange Receipts and Disbursements or Transaction were amended in June 2021 to relax the foreign exchange settlement cases that do not require the approval of the Central Bank

1. The Directions for Banking Enterprises Assisting Customers to Declare Foreign Exchange Receipts and Disbursements or Transaction were amended by the Central Bank on June 29, 2021 to relax foreign exchange settlement cases that do not require the

approval of the Central Bank. The Directions were put into force on July 1, 2021 with the key points as follows:

- a. Foreign exchange settlement cases that do not require the approval of the Central Bank have been relaxed to include settlements of remittances made by a listed company or an emerging stock company on behalf of its foreign employees in its own name for inward remittance exceeding US\$100,000 to purchase said company' s shares or for outward remittance of proceeds from sale of shares or distributed cash dividends (Point 5).
- b. The declaration of settlement of outward remittance of proceeds from the sale of shares by an original foreign shareholder of a primary TWSE (TPEX) listed company in Taiwan or a foreign company registered as an emerging stock company in Taiwan have been relaxed (Point 5-1).
- c. The withdrawal of overseas Chinese equity investment or the withdrawal of operating capital earmarked for Taiwan may be

authorized to a domestic agent as stated in the amendment of Table 1, Point 24.

d. In line with allowing securities investment trust enterprises to privately raise securities investment trust funds in multiple currencies including NTD, Table 4, Point 24 has been amended.

e. Table 11, Point 28 has been amended so that migrant workers' remittance agencies can handle the remittance of migrant workers' wages in Taiwan.

2. Enterprises while Assisting Customers to Declare Foreign Exchange Receipts and Disbursements or Transaction:

[https://db.lawbank.com.tw/Eng/FLAW/FLAWDAT0202.aspx?
Isid=FL007953](https://db.lawbank.com.tw/Eng/FLAW/FLAWDAT0202.aspx?Isid=FL007953)

C. The Directions Governing Banking Enterprises for Operating Foreign Exchange Business were amended in January 2022 to facilitate the banking enterprises for providing the customers with a variety of services

1. To facilitate the banks for providing the customers with a variety of services, as well as working with the Central Bank in allowing securities finance companies and the securities industry to apply for foreign currency loans from designated banks, the Central Bank amended the Directions Governing Banking Enterprises for Operating Foreign Exchange Business on January 19, 2022 with the key points as follows:

a. Rules regarding the recipients of the designated bank' s digital foreign exchange deposit account and deletion of the requirements on the documents for the designated bank to handle foreign exchange deposit business have been relaxed so that the bank can proceed according to its internal operating procedures (Point 5).

b. In line with the Central Bank allowing bills finance companies and securities companies to apply for foreign currency loans from designated banks, designated banks may process foreign currency loans according to other documents required by the Central Bank (Point 6).

c. It is stipulated that transactions of foreign currencies in cash not exceeding the equivalent of US\$5,000 at exchange points at the airport or other temporary exchange points, and that have reported to the Central Bank to simplify the procedures for foreign exchange settlement and declaration, should provide all necessary information (Point 13).

2. Directions Governing Banking Enterprises for Operating Foreign Exchange Business:

[https://db.lawbank.com.tw/Eng/FLAW/FLAWDAT0202.aspx?
Isid=FL025776](https://db.lawbank.com.tw/Eng/FLAW/FLAWDAT0202.aspx?Isid=FL025776)

D. The Directions Governing Designated Banks Operating Foreign Exchange Businesses through Electronic or Communications Equipment were amended in December 2021 to assist banks in developing digital channels

1. To assist banks in developing digital channels and further simplifying the application procedures for designated banks to accept customers for foreign exchange business through

electronic or communications equipment, the Central Bank amended the Directions Governing Designated Banks Operating Foreign Exchange Businesses through Electronic or Communications Equipment on December 30, 2021 with key points as follows:

- a. The rule has been relaxed so that designated banks can directly proceed customers' transactions that do not involve New Taiwan Dollar foreign exchange settlement cases through electronic or communications equipment (Point 3).
- b. Regulations have been amended regarding designated banks accepting foreign exchange transactions from customers involving the amount of foreign exchange settlement equivalent to over NT\$500,000 through electronic or communications equipment (Point 5).
- c. Designated banks will accept the overpayment of foreign exchange positions generated by the customer's foreign exchange business through electronic or communications

equipment, and the banks can proceed according to their internal operating procedures with Point 8 deleted.

2. Directions Governing Designated Banks Operating Foreign Exchange Businesses through Electronic or Communications Equipment:

<https://db.lawbank.com.tw/Eng/FLAW/FLAWDAT0202.aspx?>

[lsid=FL087291](https://db.lawbank.com.tw/Eng/FLAW/FLAWDAT0202.aspx?lsid=FL087291)

VII. Trade Freedom

A. Taiwan applied to join the CPTPP in September 2021 to enhance its positioning in global economy and trade

1. On September 22, 2021, Taiwan formally submitted an application to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). This is another big step towards regional economic integration after joining the WTO.
2. CPTPP took effect on December 30, 2018. Currently, 8 countries including Mexico, Japan, Singapore, Australia, New Zealand, Canada, Vietnam and Peru have completed the domestic approval

procedure. Brunei, Malaysia and Chile have not yet completed the domestic approval procedure. At present, in addition to Taiwan, the United Kingdom and China are applying for membership.

3. The population of CPTPP member states takes up nearly 500 million (7% of the global population), with total GDP exceeding 11 trillion US dollars (13.1% of the global GDP), and trade value accounting for more than 24% of Taiwan' s total trade value. Taiwan' s participation in the CPTPP is an important step towards regional economic integration. Currently, Taiwan is consolidating and amending relevant laws and regulations (e.g., the Copyright Act, the Trademark Act and the Patent Act) in order to comply with the norms for joining the CPTPP.

B. Taiwan lifted the restrictions on food import from five prefectures including Fukushima in February 2022 by applying scientific testing and international standards

1. To cooperate with the policy of lifting the restrictions on food import from five prefectures including Fukushima (Fukushima, Ibaraki, Tochigi, Gunma and Chiba), the Ministry of Health and

Welfare announced the “Japanese food items and production areas no longer subject to import inspections (namely the import ban)” on February 21, 2022. Moreover, “radiation test certificates should be available for specific food imported from Japan to be inspected by inspection agencies” was promulgated to adjust the control measures for Japanese food from regional control to product risk control, which took effect immediately.

2. Regarding the approval of food imports from the five prefectures including Fukushima, Japan, the Taiwan government adopted the three principles of “scientific testing, stricter than international standards and ensuring food safety,” as well as going from “prohibiting the import from specific areas” to “prohibiting the import of specific items.” Risky items are required to provide double certificates (radiation certificate and certificate of origin), and batch-by-batch inspections of food from the five prefectures including Fukushima are performed at the border. The three packaged measures are adopted to actively manage food safety and maintain public food safety.

3. Notice from the Ministry of Health and Welfare:

<https://www.mohw.gov.tw/cp-16-67244-1.html>

C. The referendum against the import of pork containing ractopamine did not pass in December 2021

1. In line with the policy of lifting the restrictions on the import of pork containing ractopamine, the Ministry of Health and Welfare revised and issued Article 3 of the Standards for Veterinary Drug Residue Limits in Foods on September 17, 2020 to increase the tolerance of ractopamine residue limits in pigs. 0.04 ppm is allowed in liver and kidneys, and 0.01 ppm is allowed in muscles, fat and other edible parts. The amendment came into force on January 1, 2021.
2. Later, due to public concerns about the safety of importing ractopamine-containing pork, a referendum against the import of ractopamine-containing pork was put in place. A national referendum on the topic was held on December 18, 2021 together with “hosting referendums on the same day as general election,” “resumption of Fourth Nuclear Power Plant” and

“algae reef protection.” The voting rate of all four referendum topics was about 42%. The dissenting votes in the four cases exceeded 4.1 million, with the dissenting votes exceeding the assenting votes. In addition, as the four referendums did not pass the threshold of 4,956,367 votes, none of them passed. The policy to allow the import of ractopamine-containing pork was therefore confirmed.

3. In addition, the local councils of Chiayi City, Taipei City, Tainan City, Taichung City and Taoyuan City (“petitioners”) formulated self-government ordinances related to food safety to ban the sales of ractopamine-containing pork. The Ministry of Health and Welfare and the Executive Yuan issued letters of invalidity and non-approval, as well as requesting a constitutional interpretation and unified interpretation of the case (the dispute over the authority of the ractopamine residue standard). On May 13, 2022, the Constitutional Court ruled the case as “constitutional” with the court decision as follows ([TCC Judgment 111-Hsien-Pan-6 \(2022\)](#)):

- a. The standards for safety tolerance for beta-receptor hormone residue in imported meat and its products is a matter of central legislation.
- b. The Ministry of Health and Welfare issued letters of invalidity and non-approval for the self-government ordinances to the petitioner the Chiayi City Council, and the Executive Yuan issued letters of invalidity and non-approval for the self-government ordinances to the petitioners Taipei City Council, Tainan City Council, Taichung City Council and Taoyuan City Council, and did not go beyond the scope of authority granted by the Constitution to the central government to supervise local self-government, and was therefore constitutional.
- c. Other petitions will not be accepted.

D. The Import and Export Manufacturer Registration was amended in August 2021 to facilitate online application for importers and exporters

1. To simplify and facilitate the procedures for the general public, the application for English name review and registration as an

importer/exporter have fully adopted the online format. The requirements for the English name review for importer/exporter have been relaxed, and the registration as an importer/exporter has been simplified. The Ministry of Economic Affairs amended the Import and Export Manufacturer Registration on August 2, 2021 with key points as follows:

- a. Application for review of English name availability and registration as an exporter/importer should be made by electronic transmission. If the computer systems of the BOFT malfunction, the application shall be done either by original hard copy, fax or e-mail (Articles 3 , 7).
- b. When examining the English name of an exporter/importer, the distinguishable words have been relaxed to include general nouns, singular and plural nouns, part-of-speech changes and place names (Article 5-1).

2. Import and Export Manufacturer Registration:

[https://db.lawbank.com.tw/Eng/FLAW/FLAWDAT0202.aspx?
lsid=FL011367](https://db.lawbank.com.tw/Eng/FLAW/FLAWDAT0202.aspx?lsid=FL011367)

E. Regulations Governing the Implementation of Post-release Duty Payment Procedures for Imported Goods were amended in May 2022 to promote electronic operations for credit institutions

1. To facilitate importers making online applications for post-release duty payment, as well as transmitting the electronic data of the guarantee through the financial blockchain platform to accelerate the electronation of the credit institution guarantee, the Ministry of Finance amended the Regulations Governing the Implementation of Post-release Duty Payment Procedures for Imported Goods on May 9, 2022 with key points as follows:
 - a. If the guarantee of the credit institution meets the relevant requirements, the data can be transmitted electronically. The data must be submitted to the customs through the transmission platform established by the financial information service enterprise with the approval of the financial authority (Article 4).

b. Those who use the guarantee of a credit institution or cash as the guarantee for post-release duty payment can apply for the post-release duty payment online through the CPT Single Window established by the customs (Article 6).

2. Regulations Governing the Implementation of Post-release Duty Payment Procedures for Imported Goods:

[https://db.lawbank.com.tw/FLAW/FLAWDAT0202.aspx?
lsid=FL006298](https://db.lawbank.com.tw/FLAW/FLAWDAT0202.aspx?lsid=FL006298)

VIII. Investment Freedom

A. Introducing the Regulations Governing Small Amount Remittance Services for Foreign Migrant Workers in July 2021 to facilitate cross-border movements of funds for foreign migrant workers

1. According to the 2019 Global Education Monitoring Report published by UNESCO on November 20, 2018, the average remittance fee for foreign migrant workers in various countries accounted for about 7% of the total remittance and reduction of the service fees for remittances sent by foreign workers back to their home countries would allow developing countries to spend an additional US\$1 billion on education and contribute to the promotion of global education equity.
2. The Financial Supervisory Commission enacted the Regulations Governing Small Amount Remittance Services for Foreign Migrant Workers on June 30, 2021, with the power granted according to the Paragraph 4 of Article 4 of the Act Governing Electronic Payment Institutions for allowing foreign migrant worker

remittance companies to provide foreign migrant workers remittance services in order to facilitate remittances and exchange of foreign currencies for foreign workers and reduce service fees for foreign remittances. The regulations were enacted on July 1, 2021. The key points are as follows:

- a. A foreign migrant worker remittance company shall be permitted and granted a business permission certificate from the competent authority before it commences business and the validity period of the business permission certificate shall be three years (Article 4).
- b. A foreign migrant worker remittance company's minimum paid-in capital, operating capital for Taiwan branch, and allocated operating capital shall be NT\$100 million (Article 15).
- c. The limit of the value of each remittance by a foreign migrant worker to whom a foreign migrant worker remittance company provides the foreign migrant workers remittance services (Article 12).

d. A foreign migrant worker remittance company shall hold in trust or obtain full guarantee from a bank for the remittance payment funds collected from foreign migrant workers when providing the foreign migrant workers remittance services and open an NTD and foreign currency denominated account exclusively for foreign migrant workers remittance services in a bank (Article 13).

3. The Regulations Governing Small Amount Remittance Services for Foreign Migrant Workers:

[https://db.lawbank.com.tw/Eng/FLAW/FLAWDAT0201.aspx?
Isid=FL096790](https://db.lawbank.com.tw/Eng/FLAW/FLAWDAT0201.aspx?Isid=FL096790)

B. Amending the Review Directions of Entrepreneur Visa Qualification for Foreign Nationals in August, 2021 to encourage foreigners to come to Taiwan for promotion of agricultural technological innovation

1. Many countries now compete for and try to recruit international innovative and entrepreneurial talents. Taiwan started to grant Entrepreneur Visa to entrepreneurs with ability of innovation and

professional know-how from Hong Kong, Macau and foreign countries in July 2015, providing a one-year residence visa for the entrepreneurs who come to Taiwan. If they set up a company and actually operate them, they can apply for a 2- year extension of residence. The Ministry of Economic Affairs has introduced the Review Directions of Entrepreneur Visa Qualification for Foreign Nationals for review of the qualifications for the Entrepreneur's Residence Visa, and launched the website for the Entrepreneur Visa applications.

2. In order to encourage foreign entrepreneurs to come to Taiwan to promote agricultural technology innovation, on August 13, 2021, the Ministry of Economic Affairs amended the Subparagraph 4, Paragraph 1 of Point 3 of the Review Directions of Entrepreneur Visa Qualification for Foreign Nationals for new regulation that allows foreigners who have obtained plant variety rights, or animal name registration, which is considered as an innovation ability, to apply for Entrepreneur Visa in Taiwan.

3. (i) Review Directions of Entrepreneur Visa Qualification for Foreign

Nationals:

<https://law.moea.gov.tw/EngLawContent.aspx?>

[lan=E&id=10466](https://law.moea.gov.tw/EngLawContent.aspx?lan=E&id=10466)

(ii) Website for Entrepreneur Visa Application:

<https://www.moeaic.gov.tw/businessPub.view?>

[lang=en&op_id_one=6](https://www.moeaic.gov.tw/businessPub.view?lang=en&op_id_one=6)

IX. Financial Freedom

A. Amendments of the Act Governing Electronic Payment Institutions in July 2021 for regulatory consistency of electronic tickets and electronic payments

1. Before the amendments, "Electronic Ticket" and "Electronic Payment" were governed by the Act Governing Issuance of Electronic Stored Value Cards and the Act Governing Electronic Payment Institutions, respectively. In response to the development of O2O payment tools and ecosystem of payment service providers, amendments to Act Governing Electronic Payment Institutions were announced on January 27, 2021 to incorporate the regulations governing "Electronic Tickets" (the term in the Regulations is changed to "stored value cards") for regulatory consistency of the electronic payment activities. The amendments took effect on July 1, 2021. The key points are as follows:

- a. Allowing the payments for financial products collected and made by electronic payment institutions with the exception of specific transactions (Article 6).
 - b. Introducing new regulation governing institutions that operates inter-institution funds transfer clearing services and related processing operations (Articles 4, 6, 8).
 - c. Relaxing the restriction on the channels and methods of storing value in a foreign currency and transfer of the stored value funds in foreign currency according to a rule approved by the competent authority in consultation with the Central Bank (Article 19).
 - d. Relaxing the restrictions on the uses of the payments collected and made by specialized electronic payment institutions and allowing specialized electronic payment institutions to set up branches in foreign countries for business expansion overseas (Articles 22, 28).
2. As of the end of June 2022, there were 11 specialized electronic payment institutions (not banks) in Taiwan, and a total of 20 banks

and the post office concurrently providing electronic payment services. Two more specialized electronic payment institutions have obtained the approval for their operation since July 1, 2022. According to the statistics as of May of 2022:

- a. Stored-value cards (former “e-tickets”): in May, 2022, a total of about 15,212 million cards were in circulation; about 9.57 million cardholders used their cards for consumption; the amount of their consumption amounted to NT\$ 4.89 billion and the total balance of stored value was about NT\$ 12.37 billion.
- b. Electronic payment accounts: in May, 2022, the total number of electronic payment account users was about 17.6 million; the number of transactions received and paid by agents was about NTD 8.05 billion; the amount of domestic and foreign small-amount of remittances handled in the month were about NT\$ 10.14 billion; the amount of stored value received was NT\$ 20.38 billion and the payment balance was about NT\$ 7.68 billion.

3. The Act Governing Electronic Payment Institutions:

[https://db.lawbank.com.tw/Eng/FLAW/FLAWDAT0201.aspx?
lsid=FL075942](https://db.lawbank.com.tw/Eng/FLAW/FLAWDAT0201.aspx?lsid=FL075942)

B. All Internet-only banks officially kicked off their operations in March 2022 with the encouragement of innovative financial technology

1. In order to help financial industry, grasp the business opportunities created by digitalization of banks, encourage innovative financial technology, and meet the needs of the new generation of consumers, the Financial Supervisory Commission issued a policy statement on the opening of Internet-only banks in April 2018 and has reached the milestones listed in the table below for promotion of Internet-only banks.

Table 4: Milestones reached for promoting of Internet-only banks

Time	Description
June 2018	Held a public hearing on Internet-only banks
August 2018	Announced the revised drafts of Standards Governing the Establishment of Commercial Banks and Regulations Governing

	Investments in Other Enterprises by Commercial Banks, with a period of public comments of 60 days, to solicit opinions from different parties on the deregulation for establishment of Internet-only banks
November 2018	Amended the Standards Governing the Establishment of Commercial Banks and Regulations Governing Investments in Other Enterprises by Commercial Banks to meet the supervision needs arising from deregulation for establishment of Internet-only banks
November 2018	Announced matters related to the application for the establishment of a pure online bank
February 2019	Announced requirements for application for establishment of Internet-only banks
February 2019	Announced the applications for establishment of Internet-only banks (there were 3 applications)

July 2019	Announced the list of Internet-only banks that had obtained the approval for their establishment
December 2020	Issued a banking license to Rakuten Bank
February 2021	Issued a banking license to LINE Bank
December 2021	Issue a banking license to NEXT Bank

2. The three Internet-only banks approved in Taiwan officially kicked off operations in January, April 2021, and March 2022, respectively. In particular, 51% of Rakuten Bank' s shares were held by a foreign major investor when it was established and 49.9% of Line Bank' s shares were held by a foreign major investor when it was established.

3. The link to section for Internet-only banks on FSC' s website:

<https://www.fsc.gov.tw/ch/home.jsp?id=681&parentpath=0,7>

C. Enactment of Agricultural Insurance Act in July 2021 for promotion of inclusive finance

1. According to agricultural statistics, the average annual agricultural loss due to natural disasters in Taiwan in the past 20 years is about NT\$12.3 billion. In light of the increasing severity of global warming and climate change, the Agricultural Insurance Act was promulgated on May 27, 2020 and enacted on July 1, 2021 in order to assist Taiwan's agriculture, forestry, fishery, and animal husbandry with diversification of agricultural business risks, promote financial inclusion, and stabilize government-related relief expenditures and farmers' income. The key points of the Act are as follows:

- a. The payment method of the agricultural insurance premium, the subsidy of the insurance premium and the upper limit of the subsidy ratio, as well as the assistance, subsidy or incentive for the insurer providing agricultural insurance (Articles 9, 10, 11).
- b. Establishment of the Taiwan Agricultural Insurance Fund ("the Fund") for implementation of a risk spreading and management mechanism and stipulation of the activities of and source of fund for the Fund (Articles 12, 13, 14).

- c. Tax deduction or exemption for donations to the Fund and agricultural insurance business conducted by an insurer and the Fund (Articles 15, 16).
- d. Stipulation of the qualifications of inspection personnel for determination of agricultural loss, consumer dispute resolution, and the supervision measures that the competent authorities are authorized to adopt (Article 22).

2. Agricultural Insurance Act:

[https://db.lawbank.com.tw/Eng/FLAW/FLAWDAT0201.aspx?
Isid=FL093852](https://db.lawbank.com.tw/Eng/FLAW/FLAWDAT0201.aspx?Isid=FL093852)

3. Supporting measures and enactment of related regulations:

- a. Enactment of the Regulations Governing the Qualified Damage Adjusters of Agricultural Insurance and Regulations Governing Risk Spreading and Management Mechanism on July 1, 2021.
- b. Introduction of the amendments to the Regulations for Implementation and Premium Subsidy of Shakya Income Insurance on July 8, 2021.

- c. Launch of formal operation by the Taiwan Agricultural Insurance Fund on September 11, 2021.
- d. Completion of guidance for Farmers Associations and Fishermen Associations to provide agricultural insurance.
- e. Introduction of the amendments to Regulations Governing the Trial Operation and Premium Subsidy of Banana Income Insurance" on July 8, 2021.
- f. Introduction of the amendments to the Regulations Governing Mandatory Insurance and Premium Subsidy of Pig Death Insurance and Regulations for Implementation and Premium Subsidy of Livestock Death Insurance on November 2 and 17, 2021.
- g. Introduction of Regulations for Implementation and Premium Subsidy of Rice Income Insurance on December 30, 2021.
- h. Introduction of Regulations Governing the Trial Operation and Premium Subsidy of Sorghum Income Insurance" on April 21, 2022.

D. Introduction of the deregulation for Fintech lenders to apply for credit scores of individuals to Joint Credit Information Center (JCIC)

1. The Joint Credit Information Center (JCIC) is the only institution that provides credit reports to different financial institutions. It collects credit reports of individuals and corporations and gives credit scores to individuals and corporations to build a national database of such information that provides credit records and financial information about individuals and corporations for the enquiry of its member institutions.
2. In order to improve customer experience and quality of financial services, the JCIC launched the service for Fintech businesses to access JCIC credit data on March 31, 2022 and has allowed Fintech lenders meeting specific criteria to apply for the service. Currently, the service is available for the following parties:
 - a. A Party providing peer-to-peer lending service.
 - b. A Fintech business has to meet the following criteria for the application:

- It is a legally registered legal person established and registered more than 3 years ago.
- Its paid-in capital is more than NT\$100 million or its paid-in capital is more than 20 million and has obtained ISO27001 standard certification.
- It has never leaked personal data in the past 3 years.
- Its responsible person and managerial officers do not have any of the situations described in Subparagraphs 1 to 12, Paragraph 1, Article 3, of Regulations Governing Qualification Requirements and Concurrent Serving Restrictions and Matters for Compliance by the Responsible Persons of Banks.
- It's not a business directly or indirectly invested by people in Mainland China (including Hong Kong and Macau).
- It is willing to cooperate with the JCIC for the review to determine whether the responsible person, shareholders holding more than 10% of the total number of issued shares or total capital, shareholders with significant influence or

joint control, and the actual beneficiaries are Mainland Chinese people (including Hong Kong and Macau).

3. Announcement of the JCIC:

[https://www.jcic.org.tw/main_en/docDetail.aspx?
uid=391&pid=238&docid=11485](https://www.jcic.org.tw/main_en/docDetail.aspx?uid=391&pid=238&docid=11485)