

Action Plan for Enhancing Taiwan's Startup Ecosystem

Approved by EY on Feb. 22, 2018
Updated in June 2018

- Targets**
- Fostering at least one unicorn startup company within two years and three unicorns within six years
 - Scaling up Taiwan's startup fundraising by NT\$5 billion each year for the next five years, making Taiwan an Asian startup funding hub

Strategies	Providing Ample Early-stage Funding for Startups	Developing Talent and Adjusting Regulations	Building Partnership between Startups and the Government	Providing Startups with Various Exit Channels	Helping Startups Tap into Global Markets
Measures and Approaches	Driving Angel Investment	Cultivating and Recruiting Talent	Expanding and Diversifying Cooperation	Relaxing IPO Listing Requirements	Bringing in Overseas Resources
	<ul style="list-style-type: none"> • Provide tax incentives for angel investors according to the amendment of the Statute for Industrial Innovation (MOEA) • Meet startups funding needs in their seed and early stage through NT\$1 billion Business Angel Investment Program (NDF) 	<ul style="list-style-type: none"> • Implement Act for the Recruitment and Employment of Foreign Professionals and provide foreign high-end professionals of certain fields with Employment Gold Cards (NDC) • Upgrade "Contact Taiwan" as the unified web portal for global talent recruitment, and attract overseas Taiwanese talents to return to Taiwan (NDC, MOEA) 	<ul style="list-style-type: none"> • Encourage government's procurement from startups (PCC) • Help startups become suppliers of government procurement (MOEA) • Organize hackathons and open APIs to encourage startups to participate in public affairs such as intelligent transport applications (MOEA, MOTC other relevant agencies) 	<ul style="list-style-type: none"> • Include e-commerce as a new industry category in Over-the-Counter Market listing (FSC) • Provide diversified market listing qualifications for corporates not yet profiting. Will expand to help startups not yet profitable access capital market in the future (FSC) 	<ul style="list-style-type: none"> • Invite startups, accelerators, and venture capitalists from target countries to visit Taiwan and provide business matchmaking services (MOFA, MOEA) • Encourage overseas Taiwanese businesspeople to return to Taiwan, invest in startups, and help build overseas business channels (OCAC) • Build Taiwan Tech Arena (TTA) and attract global accelerators to set up branches in Taiwan, connect with their mentor resources, and cultivate world-class startup teams (MOST)
	Strengthening Cooperation with Venture Capitalists	Adjusting Laws and Regulations	Promoting Cooperation between Businesses Large and Small	Supporting Corporate Acquisition of Startups	Assisting with Business Development
	<ul style="list-style-type: none"> • Actively cooperate with Tier-1 venture capital firms to strengthen investment and cooperation in forward-looking industries such as AI, IoT, AR/VR, and Biomedical Industry (NDF) • Relax National Development Fund venture capital investment restrictions on 30% capital contribution ratio and NT\$1 billion investment amount (NDF) • Relax requirement that 50% of National Development Fund need to be invested in Taiwan-registered companies (NDF) • Implement pass-through taxation for limited partnership venture capital investment under the Statute for Industrial Innovation (MOEA) 	<ul style="list-style-type: none"> • Strategically attract Southeast Asian students and talents to Taiwan (MOE) • Loosen restrictions on foreign talent employment in the 5+2 industries and on business capital/revenue requirements for startups applying for foreign student interns (MOL, MOEA) • Encourage universities to help students to intern at startups (MOE) • Establish mentor database, inviting high-level managers and industry experts with corporate governance experiences to mentor small and medium enterprises or startups (MOEA) • Establish dedicated online taxation areas for startups, providing information on and a window for necessary documentation for company registration, tax filings, tax incentive applications, M&A taxation, and goodwill amortization (MOF) • Strengthen function of "Startup Regulatory Adjustment Platform" to clarify gray areas of law for new businesses (NDC) • Amend the Company Act to provide greater flexibility for startups business operation such as enabling issuance of no par value stocks, multiple voting rights, and convertible bonds (MOEA) 	<ul style="list-style-type: none"> • Evaluate and provide medical data to business for value added applications in line with industrial development (MOHW) • Use Government open data to solve local issues and problems, and assist business to establish data marts (MOEA) • Assist corporates to get involved in startup activities, including participating startup events, launching startup incubation programs or encouraging intra-preneurship (MOEA) • Assist the 2nd Generation entrepreneurs to innovate their family business (MOEA) • Bring in corporate mentorship and resources to help university entrepreneur teams to launch their startup companies (MOST) 	<ul style="list-style-type: none"> • Review Business Mergers and Acquisitions Act, particularly whether or not taxation measures are beneficial to M&A, and evaluate the necessity of amendments (MOEA, MOF) • Streamline and accelerate administrative procedures for review of M&A by foreign investors (MOEA) • Jointly invest in business transformation and M&A plans with private sector investors through NT\$100 billion Industrial Innovation and Transformation Fund (NDC) 	<ul style="list-style-type: none"> • Provide soft-landing consultation and matchmaking services for startups through government overseas offices (MOEA) • Set up a science & technology division in Israel to assist Taiwan startups with access to resources of Israeli market (MOST) • Send selected Taiwan startups to overseas accelerators to connect with international investors or business partners (MOST) • Lead startups to major global trade shows (e.g. CES, MWC) and subsidize startups for such participation (MOST, MOEA) • Build Startup Terrace at Linkou as a tech innovation and demo site (MOEA) • Arrange for international media and foreign representatives based in Taiwan to visit Taiwan startup communities and events (MOFA) • Strengthen international promotion through electronic publications in English, French, Spanish, Japanese, German and Russian (MOFA) • Design Taiwan startup identity system (NDC)
Making investment and financing more convenient	Strengthening International Promotion				