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Premier touts improvements in funding environment for startups

Premier Lai Ching-te on Tuesday hosted the 18th interministerial meeting on accelerating investment in Taiwan, where he applauded the National Development Council's (NDC) action plan to improve the funding environment for startups.

The five strategies and 40 measures contained in the action plan have delivered a wide range of positive outcomes so far, the premier said. He encouraged government agencies to press on and provide proactive and strategic assistance to startup owners. In addition to fostering at least one unicorn (a startup company valued at more than US\$1 billion) in two years, the plan aims to nurture thousands of successful startups that will drive technological innovation and the upgrade of industry in Taiwan.

Under the action plan's first strategy, early stage funding for startups, the National Development Fund launched an angel investor program in May, raising more than NT\$80 million (US\$2.6 million) for five startups to date. To help startups raise funding for early stages of growth, the government also implemented amendments to the Statute for Industrial Innovation in May and June, allowing venture capital limited partnerships to be taxed on a flow-through basis, and providing tax benefits to angel investors.

As for the second strategy, talent development and regulatory adjustment, Taiwan has issued 68 Employment Gold Cards since the Act for the Recruitment and Employment of Foreign Professionals took effect in February. The Company Act was also amended August 1 with 10 new measures to support startup growth, such as allowing companies to issue shares without par value.

The third strategy entails diversifying exit channels for startups. In March, local bourses announced diversified listing rules allowing more flexibility for startups seeking to list, while the Taipei Exchange added e-commerce as a new industry category. Five companies have benefited from these measures thus far.

Fourth, to help startups make inroads into global markets, the government led delegations of local startups to exhibitions in the U.S. and Singapore, where they secured orders from international buyers. Taiwan's representative offices abroad are also connecting Taiwanese startups to business networks and funding sources abroad, arranging meetings for more than 1,200 startup owners and overseas Taiwanese entrepreneurs. The government is also setting up several international startup clusters, including the Taiwan Tech Arena at the Taipei Arena inaugurated in June, and the Startup Terrace to be opened in September in New Taipei, both of which will attract accelerators and startup teams from around the world.

Last, to ensure that the government serves as a good partner to business, the government is promoting inter-entity supply contracts with startup companies; starting August, a group of 19 startups will jointly supply 40 products for procurement by government agencies and state-owned enterprises. To encourage large corporations to contribute resources, the government has been matching startups to large companies, and sending business experts to help universities bring research ideas to market.

Separately at the meeting, the NDC said efforts to make mobile payments more pervasive in the consumer, leisure, health and public service sectors have been successful over the past year. The premier instructed all agencies to promote the policy more aggressively in order to achieve 90 percent mobile payment penetration ahead of the 2025 target.