

# Explanation of the Main Points of Amendment of the Act for the Recruitment and Employment of Foreign Professionals

National Development Council  
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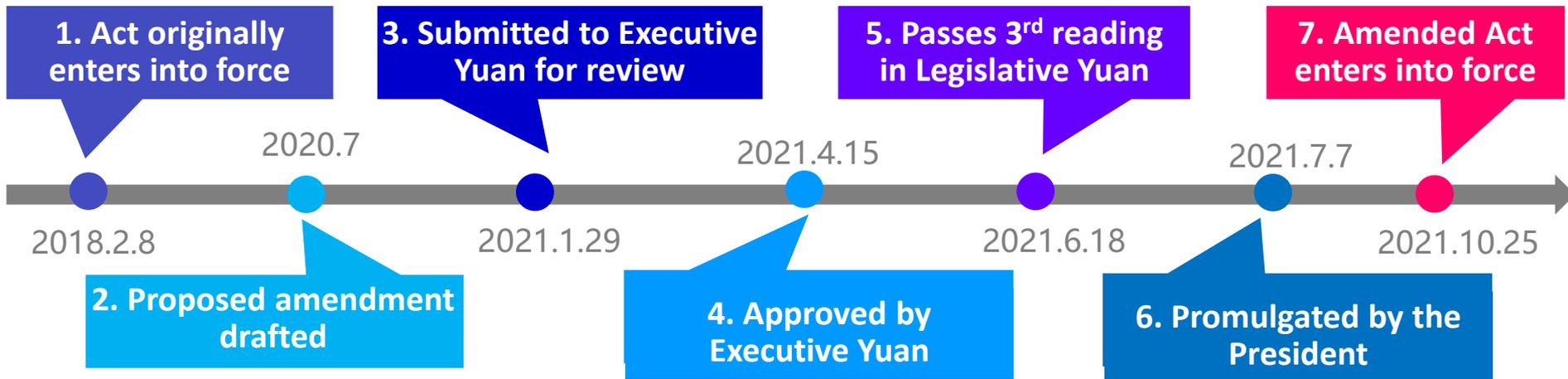
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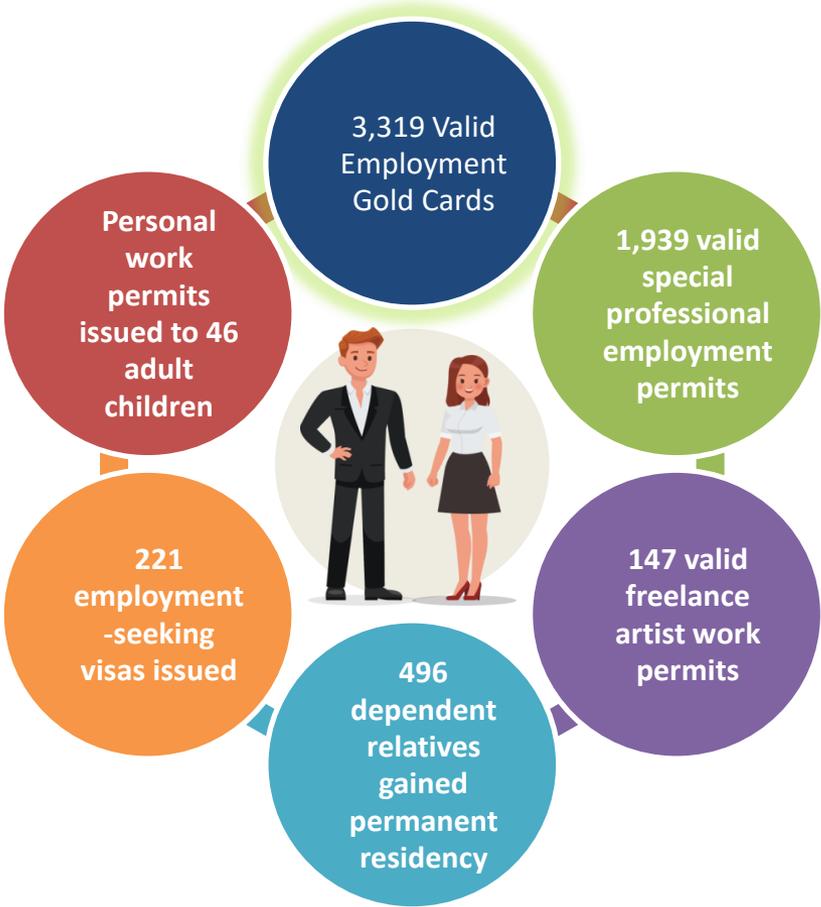
# 1. The Act's History

- Considering that Taiwan has reached **a critical moment in the current stage of national economic development and industrial transition**, with **surging demand for talent** in the 5+2 innovative industries and six core strategic industries, the NDC initiated consultation with related government agencies on drafting a proposal for amendment of the Act, with a view to providing more appealing regulation of work and residency, and enhancing tax and social security benefits, in order to seize the moment for stepping up recruitment of international talent.
- The bill for the Act's amendment passed its 3<sup>rd</sup> reading in the Legislative Yuan on June 18, 2021, after which the amended Act was promulgated by the President on July 7, **and entered into force on October 25, 2021.**
- The timeline of the Act's history is shown below:

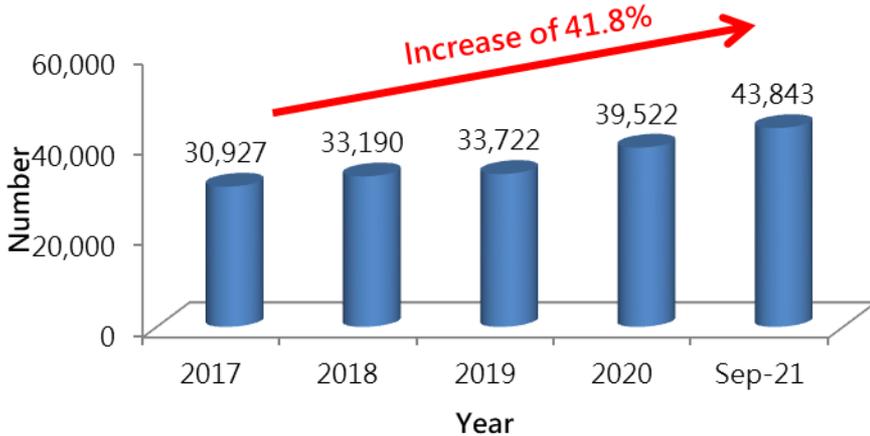


# 2. Fruits of the Act

Since coming into effect in February 2018, the Act has achieved fruitful results, helping to draw top-caliber talent in multiple fields to Taiwan. The results are shown below:

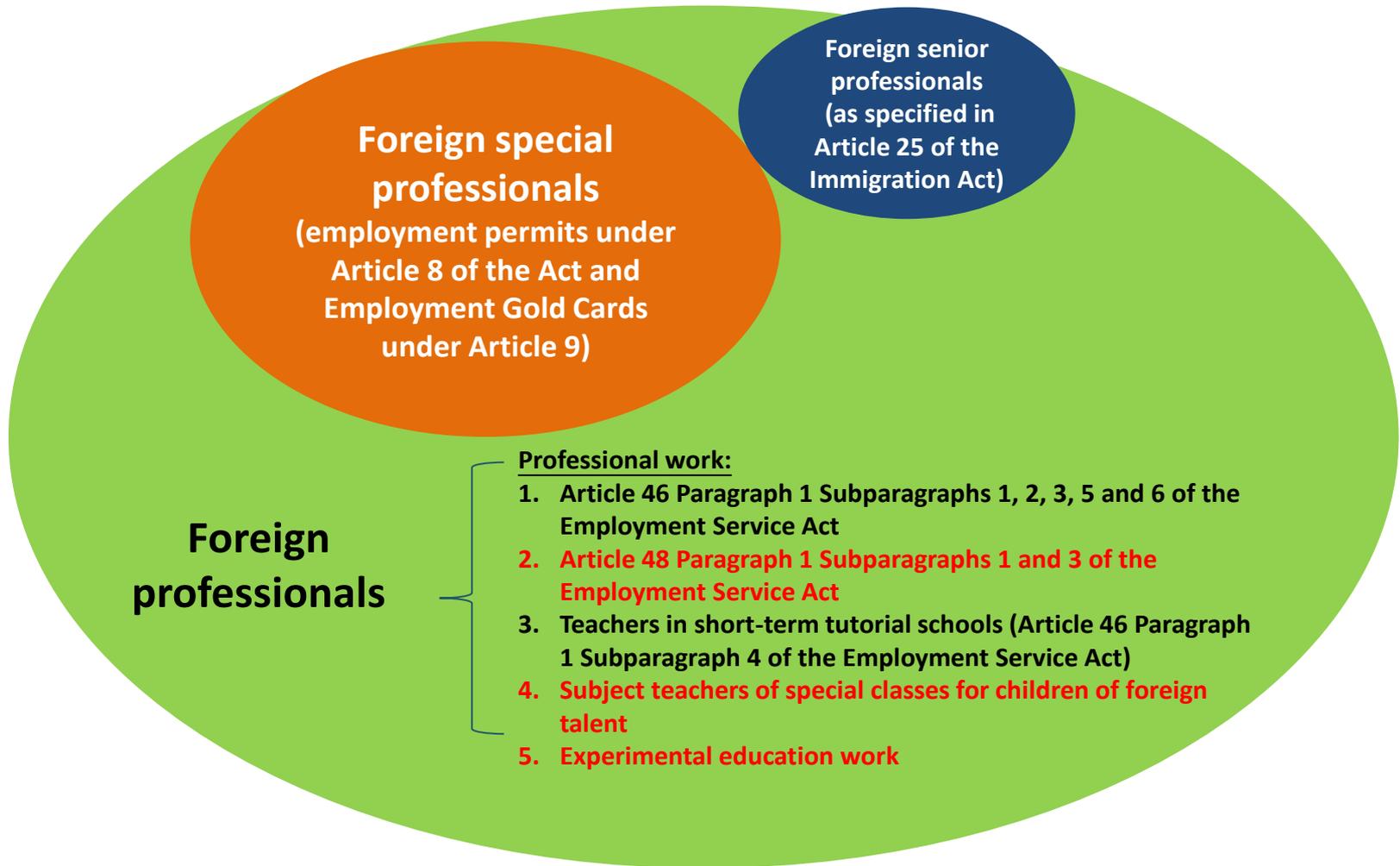


Number of valid foreign professional employment permits



The numbers are as of the end of September 2021, while the number of Employment Gold Cards are as of the end of October 2021.

# 3. To Whom the Act Applies



# 4. Structure and main content

The amended Act has a total of 27 articles, of which 3 are unchanged, 2 have only changed number, 6 are newly added, and 16 have had changes made to their content. The amended Act's structure and main points of amendment are set forth below:

## Own work permit (§4~§11)

- §4 Defines each kind of professional and professional work
- §5 Employment administration and screening criteria
- §6 Graduates of world's top universities exempted from two years' work experience
- §7 Situations not requiring work permit application
- §8 Permit for employing special professional
- §9 Employment Gold Card issuance
- §10 Freelance artist work permit
- §11 Issuance of employment-seeking visa

## Own residency (§12~14)

- §12 Changing visa exemption into ARC
- §13 Extension of residency for 6+6 months
- §14 Permanent residency for special professionals after 3 years

## Other (§1~ §3, §24~§27)

- §1~ §3 Purpose of enactment, order of application, and competent authority
- §24 How Act applies to HK & Macau residents
- §25 Treatment of dual nationals
- §26 Effect of naturalizing as ROC citizen
- §27 Specifies effective date

## As dependent relatives (§15~§19)

- §15 Adult children's personal work permits
- §16 Dependent relatives' permanent residency
- §17 Senior professionals' dependent relatives can co-apply for permanent residency
- §18 Lineal ascendants' visitor visas
- §19 Can stay outside Taiwan up to 5 years without permanent residency being canceled

## Tax preference and social security (§20~§23)

- §20 Tax preference extended to 5 years
- §21 No wait for NHI coverage
- §22 Admission to new labor pension system
- §23 Teachers and researchers can opt for monthly pension



# (1) Liberalized work regulations (1/2)

Main point of amendment	Amended provision	Difference made by revision
<p><b>1. Liberalizing the scope of professional work</b></p>	<p>§4 The definition of professional work is extended by the addition of <b>foreign subject teachers</b> and <b>experimental education work</b>.</p>	<p>Formerly, foreign teachers in schools at high school level and below could only teach foreign languages. In future, foreign teachers can be hired to teach other subjects in MOE-approved special classes for the children of foreign talent. Also, experimental education work is included as professional work.</p>
<p><b>2. Adding to the targeted fields of special expertise for foreign special professionals, and adding a recognition mechanism.</b></p>	<p>§4 Fully lists nine targeted fields, including the new addition of national defense, and adds a <b>mechanism for recognition</b> by the <b>Competent Authority (the NDC)</b> in <b>consultation</b> with the central competent authority of the industry concerned.</p>	<p>The Act formerly listed only part of the eight originally targeted fields, which are now fully listed and with the addition of national defense as a ninth. A mechanism is also added whereby the NDC can consult with other authorities and recognize special expertise where the field it belongs to is hard to ascertain.</p>

# (1) Liberalized work regulations (2/2)

Main point of amendment	Amended provision	Difference made by revision
3. Relaxing qualification for elite graduates to come to work in Taiwan	§6 Graduates of <b>the world's top universities</b> are <b>exempted from the requirement of two years' work experience</b> to come to work in Taiwan.	Formerly, foreign nationals with a bachelor's degree were required to have two years' work experience before they could take up specialized or technical employment in Taiwan.
4. Exempting from applying for work permit	§7 Foreign professionals and their dependent relatives are <b>exempted from needing a work permit once they have obtained permanent residency.</b>	Formerly, those granted permanent residency were required to apply to the Ministry of Labor for a work permit; in future, they will not need to do so.
5. Exempting from applying for resident visa	§12 <b>Those who entered Taiwan with a visa exemption or visitor visa can apply direct for an ARC without needing to first apply for a resident visa.</b>	Formerly, those who entered Taiwan with a visa exemption or visitor visa were required to apply for a visitor visa of appropriate duration or a resident visa before they could apply for an ARC. In future, they can switch directly to an ARC.

## (2) Easing of residency and permanent residency rules

Main point of amendment	Amended provision	Difference made by revision
<p>1. Permitting pre-expiry extension of Employment Gold Card</p>	<p>§9 Holder of Employment Gold Card may <b>apply for</b> its <b>extension</b> before it expires.</p>	<p>Formerly, holders needed to apply anew; in future, they can apply for the card's extension.</p>
<p>2. Permitting Employment Gold Card holders to extend residency for 6+6 months</p>	<p>§13 Before an Employment Gold Card expires, its hold may apply for a <b>6-month extension of residency</b>, available <b>2 times</b>.</p>	<p>Formerly, Employment Gold Card holders needed to reapply for a card when their old one expired. In future, they can apply to extend their residency for 6 months and then once more for 6 months.</p>
<p>3. Easing requirements to apply for permanent residency</p>	<p>§14 Own permanent residency requirements:</p> <ol style="list-style-type: none"> <li>1. Qualifying presence in Taiwan is <b>changed</b> from 183 days each year <b>to an average of 183 days per year</b>.</li> <li>2. For <b>foreign special professionals</b>, the qualifying period is <b>reduced from 5 years to 3 years</b>.</li> <li>3. Obtaining a <b>master's or doctoral degree</b> in Taiwan can reduce the qualifying period by 1 or 2 years.</li> </ol> <p>§16 Own qualifying period is matched by same for dependent relatives.</p>	<p>Formerly, foreign professionals had to have resided in Taiwan continuously for 5 years, staying at least 183 days each year, before they could apply for permanent residency. In future, the 183 days each year is changed to an <u>average</u> of 183 days per year. Also, the continuous residence requirement is cut to 3 years for foreign special professionals, and by one more year for a PhD obtained in Taiwan, while the 5-year requirement for other foreign professionals can be reduced by 1 or 2 years for those who obtain a master's or doctoral degree in Taiwan.</p>

### (3) Loosening application of Act's relevant provisions to dependent relatives

Main point of amendment	Amended provision	Difference made by revision
<p>1. Extending application of the Act's provisions to dependent relatives of foreign professionals who are not employees</p>	<p>§15 Where a <b>non-employee</b> foreign professional has obtained permanent residency, their <b>adult children</b> who meet specified conditions of residence may apply for a <b>personal work permit</b>.</p>	<p>This benefit, which formerly applied only to permanent resident foreign professionals with an employer, will in future also be extended to freelance foreign artists plying their talents under Article 10 of the Act, and to foreign special and senior professionals.</p>
	<p>§18 The <b>lineal ascendants</b> of non-employee foreign special and senior professionals may <b>visit Taiwan for a stay of up to one year</b>.</p>	<p>This formerly applied only to foreign special professionals employed to engage in professional work in Taiwan. But given that foreign special professionals may come to Taiwan to start a business or set up a company, without being employed, while our country is actively recruiting senior foreign professionals, all such will in future be accorded this same benefit.</p>
<p>2. Strengthening rights of dependent relatives of foreign professionals who obtain ROC nationality by naturalization</p>	<p>§26 <b>Where a foreign professional obtains ROC nationality by naturalization, their dependent relatives are still covered, mutatis mutandis, by specified provisions of the Act</b> (re permanent residency, personal work permits, and visits of lineal ascendants).</p>	<p>Formerly, those who became naturalized as ROC citizens could no longer utilize this Act. In future, their dependent relatives will still be able to utilize certain provisions of the Act on a <i>mutatis mutandis</i> basis.</p>

## (4) Enhancing tax and social security benefits

Main point of amendment	Amended provision	Difference made by revision
1. Extending the tax preference	§20 The <b>period</b> allowed to foreign special professionals for <b>utilizing the tax preference is extended from 3 years to 5 years</b> , and the provision for deferral is removed.	Formerly, utilization of the tax preference was limited to 3 years. In future, it can be utilized for up to 5 years.
2. Broadening the ambit of those exempted from wait to join NHI system	§21 Foreign special and senior professionals who are <b>employers or self-employed business owners</b> , plus their dependent relatives, are exempted from waiting 6 months to join the National Health Insurance system.	Formerly, immediate inclusion in the NHI system was limited to employed foreign professionals and their dependent relatives. In future, the same benefit will also be enjoyed by foreign special and senior professionals who are employers or self-employed business owners, and their dependent relatives.
3. Broadening entitlement to retirement insurance benefits	§22 Permanent residents who are <b>not employees</b> may utilize the <b>retirement pension system under the Labor Pension Act</b> .	Entitlement to inclusion in the Labor Pension Act retirement pension system, formerly accorded to permanent resident foreign professionals with an employer, in future will also be accorded to freelance foreign artists plying their talents under Article 10 of the Act, and to foreign special professionals.
	§23 Teachers' <b>entitlement to claim a monthly retirement pension is extended to include, for example, researchers at Academia Sinica</b> .	Formerly, only permanent resident school teachers could opt for either a lump-sum or monthly pension. In future, this entitlement is extended to certain permanent resident <sup>11</sup> researchers, such as those at Academia Sinica.

# 5. Supporting measures

Besides the amendment of the Foreign Professionals Act, other actions taken to strengthen the attraction of talent include:



1

The launch of a cross-government initiative to help talent from overseas get settled in Taiwan by assisting them to solve problems they encounter in adapting to local life, connecting with local industries, setting up a company, or other aspects of relocating to our country.

2

Establishment of the Employment Gold Card Office, to continue expanding the provision of a one-stop compendium of services for the work and life needs of international talent in Taiwan.

3

Promotion of the Bilingual Nation Policy, to create a more convenient living environment for foreign talent.

## 6. Concluding remarks



Gathering together young talent in all fields from around the world can inject fresh dynamism into the transition, upgrading and internationalization of Taiwan's industries, making Taiwan a key force in the global economy.



# End of briefing

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