



YOUR BEST  
INVESTMENT CHOICE



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An aerial photograph of Taiwan, showing a vast expanse of blue water in the upper half, with a long, narrow island stretching across the middle. The island is densely packed with green fields, small towns, and industrial areas. In the lower half, a large airport with multiple runways and taxiways is visible, surrounded by more developed land. The sky is a clear, vibrant blue with a few wispy white clouds near the horizon.

# BRAVO! TAIWAN

Taiwan is centrally located in the Asia-Pacific, with Continental America across the Pacific to the east, Japan to the north, the massive interior of Mainland China to the west, and the emerging markets of the Association of Southeast Asian Nations, plus India, to the south. Whether for shipment by sea or air, Taiwan is in an excellent position for linking to the Asia-Pacific and global markets. As the opening and normalization of cross-Taiwan Strait trade relations progress, Taiwan is advancing its position as a launching pad for multi-national enterprises planning to enter Mainland China and expand their presence in the global market.

Taiwan's products are marketed worldwide, its technology industry is a world-leader, and it has innovative research and development (R&D) capabilities, an entrepreneurial spirit in constant search of improvement, a friendly investment environment that is world class, and mature and rational citizens. Its industrial sector possesses outstanding production capacity, and its investment environment has performed strongly in international rankings. Taiwan has the world's densest collection of industrial clusters, each rich in innovative R&D capabilities and production experience. Investors who choose Taiwan to serve as their Asian regional innovation center or operational headquarters will quickly be able to penetrate the emerging markets of the Asia-Pacific.

Among Taiwan's leading soft powers is the innovative abilities of its citizens. Their achievements are frequently recognized in international competitions, especially in the areas of innovation, invention and design. In past years, they have excelled in world-leading design competitions, including Germany's Industrie Forum Design Hannover and Red Dot, Japan's Good Design, and the United States' IDEA.





Taiwan also features world-class medical technology and service quality. Its medical resources and management meet the standards of advanced nations, and it has a national health insurance system that is highly praised around the world. International tourists tout the friendly tourism environment. Taiwan is not only one of the world's great bicycle manufacturing centers but also a popular destination for round-the-island cycling tours.

Investors who come to Taiwan can benefit from competitive advantages and support, together with a rich culture and a hospitable living environment. A convenient transportation network provides smooth and seamless travel between the north and south. Widely distributed convenience stores that are open year-round without a break combine with hypermarkets to provide a favorable shopping environment. Overall, life in Taiwan is relaxed and free. Foreign nationals who come to Taiwan to work, live or travel praise the food, scenery, architecture, culture and convenient lifestyle. Their deepest impressions are of the warm nature of the Taiwanese people, a quality that also constitutes Taiwan's most enticing soft power. Taiwanese are not only hardworking, innovative, friendly and generous, but also tolerant and helpful to others. Such characteristics infuse Taiwanese society with vigor and promote relentless advancement.

The purpose of this report is to help investors understand Taiwan's industrial development strategies, investment opportunities and locations, benefits and incentives. An appendix lists company establishment procedures, investment service organizations and contact information that can serve as a reference for investors.






# Business Environment

Taiwan is located at the southernmost point of Northeast Asia, at the center of the East Asian island arc and the western edge of the Pacific Ocean, with Japan and the Ryukyu Islands to the north and the Philippines to the south. It is not only an important Asia-Pacific trade and logistics hub but also a major strategic base. Across its 36,000 km<sup>2</sup> are diverse natural elements and rich cultures.




## Getting to Know this Asia-Pacific Hub

### A Diverse Natural Environment



Taiwan is an island that consists of nearly two-thirds mountainous and hilly terrain and one-third tablelands, plains and basins. Mountain ranges that dominate the land contain more than 200 peaks over 3,000 m and run mostly north to south. Counted among them is the Central Mountain Range, which cuts a vertical swathe down the island and serves as its east-west watershed.

The combination of the Tropic of Cancer running through Taiwan and the high-mountain terrain creates a natural ecology comprising at least three distinct climate zones: tropical, sub-tropical and high-elevation temperate. Living in this diverse environment are nearly 4,000 endemic species, including the Formosan landlocked salmon, Formosan macaque, Formosan black bear and Swinhoe's pheasant. These animals thrive in world-class conservation areas spread among Taiwan's nine national parks and 13 national scenic areas.





Elements that dot the marine landscape include capes and bays, rocky banks and beaches, and lagoons. This rich natural environment fosters exciting, growing recreational industries such as climbing, hiking, river tracing and rafting in the mountains, as well as scuba diving, surfing, snorkeling and whale watching at sea.

## **A Pleasant Climate**

Generally speaking, Taiwan remains warm throughout the year, with spring and winter seeing greater temperature variations than fall and summer. The average annual temperature is 22°C, with lows typically hovering around 12 – 17°C. The south is usually warmer than the north, with average January temperatures of approximately 16°C in Taipei and 20°C in Kaohsiung.

Stationary fronts during the change from spring to summer (March – May) bring frequent precipitation to northern and eastern regions, while summer (June – August) is hot with the occasional typhoon. Autumn features clear skies and cool weather, while the arrival of the occasional cold front in winter (December – February) provides the perfect opportunity to enjoy hot springs. Overall, Taiwan's climate makes it a pleasant place to live and travel. The hospitable weather during each of the four seasons sustains a wide range of fruits, vegetables and flowers that satisfies culinary and aesthetic desires.

## **A Diverse History and Culture**

A diverse range of peoples and ethnic groups makes up Taiwanese society, from aboriginals and Han Chinese to the recent new immigrants from Southeast Asia and other regions. Their history, languages, culture and religious beliefs blend into the everyday culinary, architectural and lifestyle habits of Taiwan, contributing to the rich and colorful culture of the island. The resulting stimulation brings endless vitality and creativity to Taiwanese society and opens valuable new cultural possibilities in the areas of music, art, industrial arts, architecture and lifestyle aesthetics.

Mandarin is the lingua franca of Taiwan, and various ethnic groups use Taiwanese Hokkien, Hakka or one of 16 indigenous languages in everyday speech. Many members of the older generations who were educated during the Japanese colonial period can also speak Japanese. In terms of religions and belief systems, Taiwan is a tolerant society that welcomes traditional Buddhism and Taoism, folk beliefs, Christianity, Islam and other religions. Each entered Taiwan at a different time and subsequently prospered in an accepting environment.

## **A Stable Political System**

Taiwan is a free and democratic country that enjoys a high level of political freedom and stability. In four-year cycles citizens participate in democratic elections to directly elect the president, lawmakers, local leaders and local councilors. These rulers and representatives must act in accordance with popular opinion, accept public oversight and be responsible toward citizens.





Taiwan is currently a member of several international economic organizations, including the World Trade Organization (WTO), the Asia-Pacific Economic Cooperation (APEC) group and the Asian Development Bank (ADB). Taiwan engages in frequent trade and exchange with over 140 countries worldwide. As the global economy becomes freer and undergoes rapid development, Taiwan is constantly adjusting its industrial strategies, easing regulations and removing investment restrictions. As it strengthens intellectual property rights protection measures, Taiwan moves in line with international trends.

### Major Economic Indicators, Taiwan 2015

GDP	USD 523.6 billion
GDP per Capita	USD 22,317
Economic Growth	0.75%
Export Value	USD 280.48 billion
Import Value	USD 228.92 billion
Foreign Exchange Reserves	USD 426.0 billion (end of 2015)
Unemployment	3.87% (end of 2015)
Labor Participation Rate	58.65%

Sources: 1. Invest in Taiwan website(<http://investtaiwan.nat.gov.tw/>)  
2. National Statistics, ROC (Taiwan) website(<http://www.stat.gov.tw/>)

Taiwan's overall trade performance remains stable. In the "2016 Index of Economic Freedom," compiled by the Heritage Foundation, United States, Taiwan ranked 14th among the 186 economic entities covered and fifth in the Asia-Pacific area, trailing only Hong Kong, Singapore, Australia and New Zealand. Whether in terms of business freedom or trade freedom, Taiwan's performance was excellent.

### Foreign Investment

Statistics show that from the start of direct foreign investment in 1952 to the end of 2015, there were 43,501 approved foreign investment cases worth a total of USD 136.945 billion. The five leading source regions were the British Overseas Territories in the Caribbean, the United States, the Netherlands, Japan and Singapore, while the five leading invested industries were finance and insurance; electronic components manufacturing; distribution and retail; computer, electronic and optical products manufacturing; and information and communications technology (ICT).

### About Taiwan

Capital: Taipei

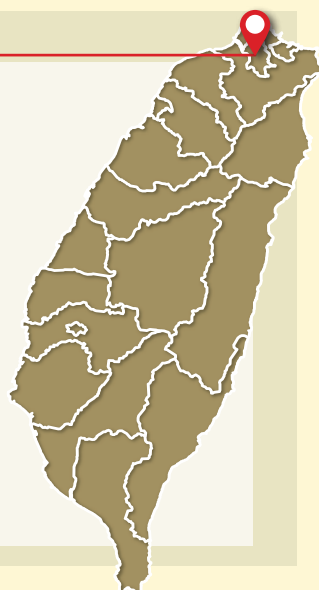
Land Area: 36,000 km<sup>2</sup>

Population: 23.50 million

Primary Ethnic Groups: Han Chinese, Aborigines, New Immigrants

Languages: Mandarin, Taiwanese Hokkien, Hakka, Indigenous Languages

Religions/Belief Systems: Buddhism, Taoism, Folk Beliefs, Christianity, Islam



In 2015, Taiwan approved 3,789 foreign investment cases worth a total of USD 4.797 billion. The five leading sources of this investment, which accounted for 65.37% of the year's total investment, were, in descending order, the British Overseas Territories in the Caribbean, Japan, the United Kingdom, Samoa and Hong Kong. The five leading invested industries, which accounted for 69.77% of total investment, were, in descending order, wholesale and retail sales, finance and insurance, real estate, support services, and electronic components manufacturing.



## Forward-Looking Global Vision

Manufacturing and high-tech industries drive economic development in Taiwan. The output values of many Taiwanese products and industries, such as motherboards, semiconductor foundry, optical discs, and bicycles, are world-leading. Faced with challenges caused by globalization and industrial transformation, the government and private sector adjust the industrial structure as a way of overcoming industrial development bottlenecks. In the process, seeds are sown for the next wave of economic growth.

## Transforming Economic Structures via Deregulation and Innovation

Taiwan enjoys many advantages that other countries lack. Besides the vibrancy and resilience of a maritime economy, it features a high-quality labor force, well-developed industrial chains, nimble and agile small and medium enterprises, and a relentless entrepreneurial spirit. In the future, Taiwan will pursue a new economic model for sustainable development based on the core values of innovation, employment and equitable distribution.





## Four Core Factors Leading the Way to Economic Development and Upgrading

### ■ Promoting Industrial Innovation

The goal of industrial transformation is to upgrade manufacturing and services. In Taiwan, industrial innovation and R&D plans will transform the petrochemicals industry while advancing the circular economy and new agriculture. Future transformation will prioritize plans to promote five major innovative industries: green energy technology, national defense, smart machinery, and establishment of the Asian Silicon Valley and an Asia-Pacific hub for biotechnology and pharmaceutical R&D. These industries will be located in bases that not only gather related manufacturers but also become incubation zones, where capital, technology and land come together to turn the manufacturing and service sectors into new engines of growth. As downstream development spurs the entire industrial chain, new foreign capital and technology will expand markets and boost demand.

Taiwan has high excess savings. The “Discovery Project” will match this capital to technology and industry to serve as a matchmaker between entrepreneurs and the external resources they need. Capital markets conducive to entrepreneurialism and an “Asian Youth Innovation IPO Center” will also be



developed.

Support for SMEs will aid the pursuit of innovation, international sales and capital acquisition. Through the encouragement of cooperation between industry and academia, universities and research institutions will provide SMEs and local industry with R&D, talent and technology.

### ■ Management of Sustainable Energy and Resources

Taiwan is fully committed to developing green energy. The share of electricity generated from renewables will be increased to 20% by 2025. Construction of the third liquefied natural gas plant will be accelerated, and





pollution generated by the nation's coal-fired plants will be reduced. To provide the market structures and legal foundation needed to facilitate energy transformation, an amendment to the Electricity Act is underway.

For sound flood prevention and disaster management, improvements will be made to river flood defense, disaster prevention and rescue mechanisms. Desalination and renewable water sources will contribute to a diverse, sustainable water supply. Water conservation campaigns, improved allocation, and reservoir dredging and renewal will lead to more effective, flexible water management.

## ■ Trade Expansion

Taiwan needs to do more than just sell products to international markets. Mutual benefits can be achieved by sharing technology and encouraging the flow of capital and goods. Countries at all stages of development offer the chance to study, promote and implement industrial economic structures. Actions underway to enhance the external trade network and diversify trade partners include encouraging comprehensive trade relations, expanding into emerging markets and ending past overreliance on a single market. As Taiwan actively seeks to participate in multilateral and bilateral economic cooperation and free trade agreements such as TPP and RCEP, it is also promoting the New Southbound Policy and

strengthening links with advanced industrial nations.

## ■ Building an Excellent Business Environment

Taiwan is taking many steps to promote administrative reform and sweep away barriers to investment and business operations. Healthy, transparent relations between government and business foster a fairer industrial development environment. Better communication with all groups spreads knowledge of major policy changes and complicated topics. The government is improving the allocation of water, electricity, land, human resources and talent. A sounder investment promotion framework that uses international norms and simplified investment procedures is boosting investor confidence.

Outdated laws and regulations are being reviewed with the aim of building a legal system conducive to innovation, R&D, service and knowledge, so that industrial investment, R&D and talent cultivation can advance. A committee that includes representatives from industry, government, academia and research institutes has been assembled to formulate amendments to the Company Act. Online tools contribute to building a precise corporate governance framework that is more diverse, flexible, convenient and effective.

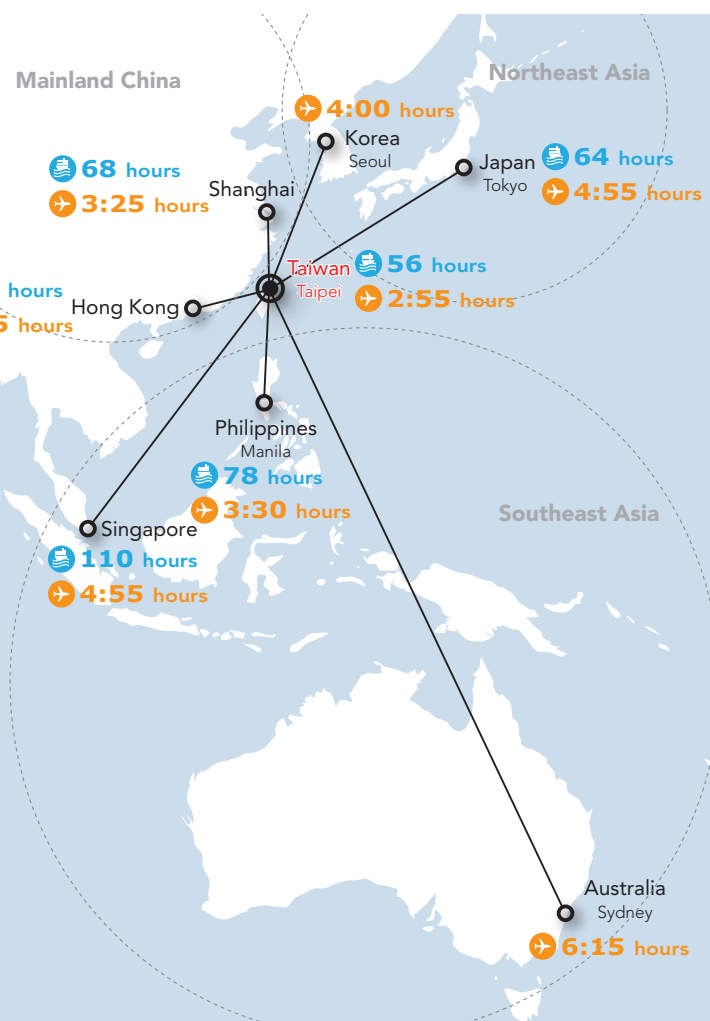


## 10 Investment Advantages in Taiwan

Over the past several decades, economic development in Taiwan has been driven by small and medium enterprises (SMEs) in the manufacturing industry. Traditional and technological products manufactured in Taiwan have earned international praise and have spread around the world. Taiwan's excellent geographic location, sound infrastructure, complete industrial supply chains, large numbers of R&D professionals and safe legal environment attract investment by international enterprises that choose Taiwan as a base to establish regional headquarters, research centers or logistics centers.

### An Asia-Pacific Logistics Hub

Taiwan is geographically located at the Asia-Pacific transportation hub connecting Northeast and Southeast Asia. Convenient travel from its world-class international airports makes it possible to fly in an average of just 2.55 hours from Taipei to six major cities in the western Pacific: Tokyo, Seoul, Beijing, Shanghai, Hong Kong and Singapore. Convenient transport from its world-class harbors makes it possible to ship goods in an average of just 56 hours from the Port of Kaohsiung to five major ports in the region: Manila, Singapore, Hong Kong, Shanghai and Tokyo. Taiwan serves not only as an important bridge connecting Europe, America and Japan to emerging Asia-Pacific markets but also as a preferred location for multinationals to establish Asia-Pacific headquarters.



### A Platform Linking to the World

Neighboring Taiwan to the west is the engine of global economic growth and the world's second-largest economy, Mainland China. To the north is the world's third-largest economy, Japan, and to the east is the world's largest economy, the United States. To the south are the 10 states of the Association of Southeast Asian Nations. Taiwan's excellent location places it in an ideal position to compete economically in Asia.

As the center of the global economy gradually moves from west to east, attention is shifting from mature to emerging markets. Whether in terms of language, geography or culture, Taiwan's proximity to the Mainland China market is indispensable. Other advantages, such as the ability to innovate, manufacturing strength, and the integration of Taiwanese businesses into Asian industrial chains, lead international enterprises to choose Taiwan as their base for entering Mainland China and the emerging markets of Asia. They then use Taiwan as a platform to expand worldwide.

## Excellent Performance in International Rankings

Taiwan's investment environment scores highly in numerous international rankings. In the “Global Competitiveness Report 2015 – 2016,” issued by the World Economic Forum, Taiwan ranks 15th out of 140 economies and fourth in the Asia-Pacific. The Economist Intelligence Unit forecasts Taiwan's business environment to be 14th best in the world during the 2014 – 2018 period.

In the second “Business Environment Risk Intelligence” report of 2016, Taiwan ranks as the world's third best investment destination, trailing only Switzerland and Singapore. In the World Bank's “Doing Business 2016” report, Taiwan finished 11th out of 189 economies for ease of doing business.

## Strong Industrial Clusters

The distribution of industrial clusters in Taiwan can generally be broken down into electronics and technology in the north, precision machinery in central regions, and petrochemicals and heavy industry in the south (key industry distribution is further described in the attachments at the end of the book). The World Economic Forum's “Global Competitiveness Report 2016” names Taiwan's “State of Cluster Development” fifth best in the world. From upstream to midstream to downstream, Taiwan offers sound industrial supply chains that can meet client needs, offer fast responses and quickly provide customized components. In terms of quality and quantity, the competitive nature of Taiwanese products is a major reason why foreign investors choose the island as an investment destination.

The highly developed nature of its industrial clusters has helped Taiwan to become the world's second-largest information hardware producer, its semiconductor foundry industry and semiconductor packaging and testing industry to become tops in the world, its IC design industry to become second in the world and its PC products industry to become third. Another success story is the bicycle industry. In 2003, leading bicycle brands Giant and Merida recruited 18 component manufacturers to form what is known as the A-Team. Close cooperation and division of labor allow the A-Team to better meet customer needs by researching, developing and manufacturing products that satisfy leisure and professional needs. A-Team members work together to produce high-quality, high-cost, high-profit bicycles that are popular in international markets.





## Excellent Labor Force

Taiwan's excellent labor force is boosted by its universal education system, which each year adds more than 300,000 new graduates at the junior college and university level or above. In 2015, 5.45 million employed persons, or 48.63% of the labor force, had at least a college degree.

In the World Economic Forum's "Global Competitiveness Report 2015 – 2016," Taiwan's ranking for labor market efficiency rose 10 places to number 22 out of 140 economies. The jump was attributed to a tax system that encourages people to work and an increase in the labor participation rate among women. The government continues to promote world-class universities and research centers that will turn Taiwan into an East Asian center for higher education and a major exporter of Chinese-language education. By drawing on these resources, multinational enterprises can satisfy the manpower needs associated with entering the Asia-Pacific market.

## Sound Infrastructure

Taiwan has a dense, comprehensive transportation network. External links include highly developed sea and air transport systems that connect via seven international harbors and 17 airports. Internal links include railways and highways, such as the island-wide conventional rail and highway systems, the west coast high-speed rail line, a national freeway system and several east-west expressways that link the north-south freeways. Taipei and Kaohsiung also have metro systems. These convenient transportation networks make it possible to travel anywhere in Taiwan in just

one day while allowing for cost-effective, fast and efficient shipment and storage of commercial goods.

Other advantages include relatively inexpensive water, electricity and telecommunications utilities that approach 100% penetration. In 2015, the World Economic Forum's "Network Readiness Index" placed Taiwan 18th in the world, in part due to the widespread availability of network applications. Taiwan's e-government services are among the best in the world, and its advanced digital technology is another strong attraction for foreign commercial enterprises.

## Sound Legal Environment

Taiwan's Constitution stipulates that issues concerning human rights and contractual obligations and duties should be clearly prescribed by law; therefore, businesses find that regulations relating to taxes and fees are transparent and clear. Taiwan enjoys a healthy and independent legal system, with the average Taiwanese citizen having a high sense of awareness and respect for the law. Predictability and stability in business operations, therefore, are high. At the same time, commercial regulations are quickly adjusted in line with changing international norms and foreign investors enjoy substantial protection under the Statute for Investment by Foreign Nationals.

## Sound Intellectual Property Protection

Taiwan's intellectual property laws adhere to international treaties and norms. It has established an Intellectual Property Court and a police unit that





specializes in investigating and seizing counterfeit and pirated goods. International high-tech firms and rights organizations praise the comprehensive, friendly approach to protecting intellectual property.

In 2010, Taiwan and Mainland China signed the “Cross-Strait Agreement on Intellectual Property Rights Protection and Cooperation,” which provides an official channel for Taiwanese to apply for and claim patents, trademarks and plant variety rights. An official working group and platform ensure adherence and help Taiwanese businesses protect their intellectual property rights in Mainland China.

Taiwan actively helps businesses to protect corporate secrets so it can build a fair competitive environment. A 2013 amendment to the Trade Secrets Act added criminal responsibility. Supplementary amendments and training of those who carry out the law further strengthen trade secret protection.

Intellectual property policy and laws are open and transparent in Taiwan. The main competent authority, the Intellectual Property Office, maintains close ties with international institutes in Taiwan, chambers of commerce and rights organizations. The office is receptive to new ideas and constructive criticism as it works toward building an environment that is friendly to intellectual property. Its support of corporate R&D and innovation boosts business opportunity and economic development.

## **A Friendly Fundraising and Financing Environment**

Abundant capital, stable exchange rates, and relatively low interest rates and capital costs make Taiwan a friendly environment for fundraising and financing. Policies to attract foreign investment include relaxing restrictions on foreign enterprises that seek to raise capital and simplifying fundraising administrative procedures.

In terms of direct financing, the cost of listing on an exchange or over the counter is lower in Taiwan than in

Hong Kong or China. The price-earnings ratio and price-to-book ratio of shares are reasonable and liquidity is good. There are currently 47 foreign companies with a primary listing in Taiwan and 26 foreign companies with a primary OTC listing on the island. Opening of the Go Incubation Board for Startup and Acceleration Firms (GISA) and an exchange-based crowd funding program has further diversified Taiwan's fundraising channels.

In terms of indirect financing, Taiwan's high savings rate is a source of abundant capital and its low interest rates reduce the cost of financing. Incentives offered to banks that provide loans to SMEs and innovative industries further spread bank financing services to businesses of all types and sizes.

## **A Diverse Culture of Innovation**

Taiwan boasts a thriving R&D sector. Innovative elements bring worldwide popularity to its high-tech consumer electronic products, chain store services, bicycles, pearl milk tea and Chinese-language music.

Global organizations recognize Taiwan for its innovation and R&D capabilities. For the period from 2009 to 2013, the Economist Intelligence Unit ranked Taiwan sixth globally in innovation, trailing only Japan, Switzerland, Finland, Germany and the United States. The World Economic Forum named Taiwan as an innovation-driven economy in its “Global Competitiveness Report.” According to the Global Entrepreneurship and Development Index, Taiwan ranked first in terms of entrepreneurship aspirations and product innovation, second in high-growth enterprises and third in process innovation, demonstrating the remarkable global advantages Taiwan enjoys in the areas of innovation and R&D. Taiwan is home to more than 10 industrial R&D institutions, including the Industrial Technology Research Institute and the Institute for Information Industry. These not only advance technology industry development but also cultivate technological innovators and researchers. Such personnel are the best partners for foreign enterprises that plan to enter the Asia-Pacific market and expand globally.



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Through a combination of excellent R&D technology and manufacturing capabilities, Taiwan offers a fast and close-knit division of labor in everything from product R&D and manufacturing to supplies and services. Past successes in production and operations by Taiwanese enterprises not only reduce trial time for new entrants but also lower operating costs. Whether foreign investors interested in expanding into Asia-Pacific markets plan to establish research centers or regional headquarters, Taiwan offers an ideal environment and outstanding opportunities for investment.

## Forward-Looking Trends for High-Quality Industries

Vigorous industrial development is the engine of economic success. The government will continue to implement innovative measures in the areas of taxation, capital, technology, manpower, land and environment as it eliminates investment obstacles and guides the growth of emerging industries. It will help existing industries take advantage of opportunities for upgrading and transformation as it pushes enterprises to become smarter, greener and more advanced in terms of culture and creativity. As output values and exports grow, Taiwan's manufacturing industry will reach new heights of quality.

## Implementation of the “Industrial Upgrading and Transformation Action Plan”

On October 13, 2014, the Executive Yuan passed the “Industrial Upgrading and Transformation Action Plan.” Principal objectives – to revitalize traditional industries, strengthen core industries, and incubate emerging industries – are to be achieved via four





main strategies: upgrading product quality and value, establishing complete supply chains, achieving system solution capabilities, and accelerating development of new industries. As these measures encourage enterprises to upgrade the quality of their smart green, and creative/ cultural content, related policy tools will further assist in upgrading and transformation.

To implement the aforementioned plan, on October 15, 2014, the Ministry of Economic Affairs established an industrial upgrading and transformation service group. Seven associations, namely the Chinese National Federation of Industries, General Chamber of Commerce, Chinese National Association of Industry and Commerce, Taiwan Electrical and Electronic Manufacturers' Association, Taiwan Federation of Industry, National Association of Small & Medium Enterprises, and Manufactures United General Association of Industrial Park of ROC; along with 22 non-profit organizations, including the Industrial Technology Research Institute, Institute for Information Industry, Corporate Synergy Development Center, Taiwan Textile Research Institute, Metal Industries R&D Center, and Stone and Resource Industry R&D Center; and domestic colleges and universities joined in establishing 15 specialized branch groups, including traditional industry groups for northern, central, southern, and eastern Taiwan and outlying islands;

a core industry group; an emerging industry branch group; a service industry branch group; and branch groups for the seven associations listed above. These raise industrial international competitiveness by assisting with industrial upgrading and transformation in different areas and regions.

## Upgrading of Core Enterprises

SMEs, which typically employ fewer than 200 people each, account for more than 95% of all enterprises in Taiwan and employ approximately 80% of the island's workers. They serve as the engine of the Taiwan economy. Taking into account the experiences of Germany and its "Hidden Champions," every two years the government selects 50 high-potential SMEs based on their market niche, core technical skills and international vision. It then provides guidance and resources to help these companies further strengthen their technical skills and overcome personnel, technical and financial issues that could be encountered while expanding into the international market. This assistance helps the companies boost their innovative capabilities and workforces, so they can develop technological and service models that are both distinct and critical. As the companies stake claim to an indispensable position in their field, their global competitiveness rises.



## Promoting Innovation and Entrepreneurship

The rise of internet technology has made soft power the key to future competitiveness and ushered in entirely new industrial development challenges. As markets expand from regional to international, growth is becoming dependent on innovation more than technology and growth evaluation models are moving from sales to valuation.

For countries around the world, these trends show the importance of innovation and entrepreneurship and underscore the need for a suitable policy response. In terms of innovation and entrepreneurship, Taiwan has many advantages: exceptional high-technology and manufacturing bases, sound industrial supply chains and clusters, manufacturing techniques that enable low volume production of high-quality products, sound network foundations and facilities, an advantageous geographical position, and a hospitable living environment. Taiwan is also blessed with a vigorous entrepreneurial spirit. In two consecutive years, 2014 and 2015, the Global Entrepreneurship and Development Institute ranked it as having the healthiest level of entrepreneurship in Asia.

The government uses a combination of deregulation, foreign capital flows and knowledge, international entrepreneurship clusters (such as the Taiwan Startup Stadium) and other policies to encourage innovation and entrepreneurship. It builds a friendly startup ecosystem where it is easy to connect with international resources. As Taiwan's innovation and entrepreneurship gain a higher international profile, startups from overseas are drawn to Taiwan even as the island's startups expand overseas.





## Taking Advantage of Business Opportunities

Using its existing industrial foundation, Taiwan is developing the Taoyuan Aerotropolis and other innovative industrial projects. Besides serving as the focus of global industrial development trends and business opportunities, these industries and initiatives will become primary targets of foreign enterprises that invest in Taiwan.

### Taoyuan Aerotropolis

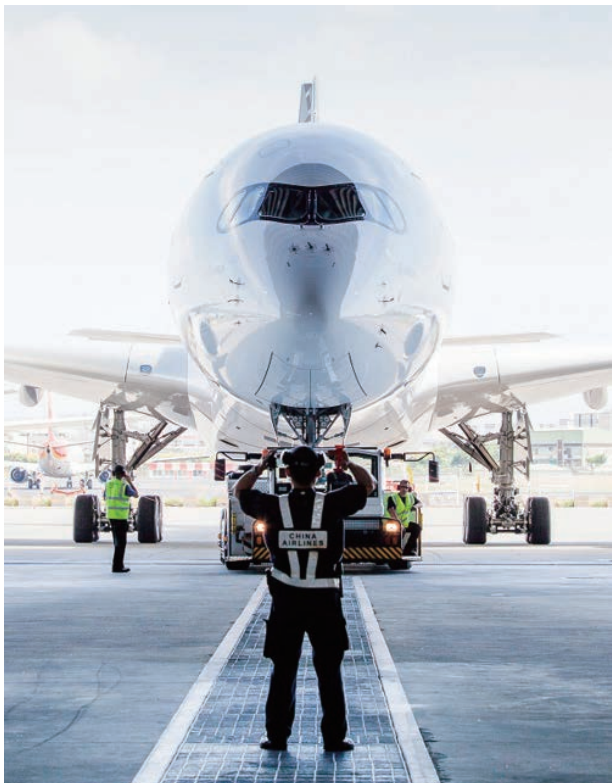
Faced with rapidly changing global business opportunities and competition, in 2014 Taiwan approved the Taoyuan Aerotropolis project. By utilizing Taoyuan International Airport's advantages in the Asia-Pacific region, sound peripheral transportation networks and northern Taiwan's comprehensive industrial development belt, the project aims to build an Asia-Pacific international aerotropolis. It is forecast to create nearly 300,000 job opportunities and NTD 7 trillion in economic benefits by boosting both airline- and non-airline-related industries. The following five development goals have been established to ensure that the aerotropolis living environment satisfies functionality requirements.

#### ■ An East Asian Hub

Several steps will contribute to turning Taoyuan Aerotropolis into an East Asian hub: refurbishment of Terminal 1, construction of a complete external access transportation network, and completion of Terminal 3 (forecast for 2020). Future progress includes construction of a third runway as well as expansion of a free trade zone that will facilitate the movement of people, goods, capital and information.







### ■ Building Metro Lines to Create a TOD City

A pair of metro lines will service the aerotropolis: the airport line, which is expected to begin operating in 2016, and the aerotropolis line, which is expected to begin operating in 2024. At the same time, the government will promote local development near metro stations in order to turn Greater Taipei into a transit-oriented development (TOD) city. The metro lines will become part of a comprehensive aerotropolis transportation network that includes internal roads and external access roads (National Freeway Nos. 1, 2 and 3 as well as the West Coast Expressway and Expressway No. 66), the High Speed Rail and Taiwan Railways. This road and rail networks will quickly and conveniently move people and goods.





## ■ Industrial Cluster Development

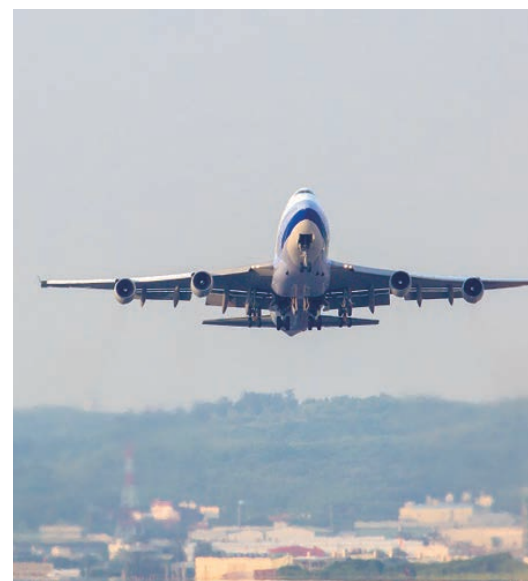
The government has designated an industrial zone near the airport to attract investment by low polluting, low energy consumption, low water consumption, high-value-added industries and clusters, such as international logistics and distribution, a regional technology service center, culture and creativity, aviation support, biotechnology, high-end agriculture, cloud computing, smart vehicles, green energy, conferences and exhibitions, and leisure. In order to blend northern Taiwan's excellent industries with Taoyuan's strong industrial and manufacturing capabilities, the zone will adopt the “shops onsite, factories offsite” operating model. By boosting related industrial clusters, it will become a national-level industrial zone.

## ■ A Sustainable, Smart Aerotropolis

Modern planning principles and development techniques will foster a green energy, architecture and transportation environment that duly benefits from the neighboring Hsinchu Science Park technology belt, the boutique agriculture of the Yilan Agricultural Science Park and the amenities of the northern Taiwan metropolitan region, leading to the development of a low-carbon, green and smart aerotropolis that incorporates the sustainable concepts of green energy, building and transportation, with a land-and-water environment.

## ■ Integrated Development of Air and Sea Ports

The Taoyuan International Airport and Port of Taipei will be integrated to form an Asia-Pacific transportation hub. The Taoyuan Aerotropolis will be located at the hub of two “golden circles,” Northeast Asia and Southeast Asia, offering an average flight time of just 2.55 hours to and from major Asia-Pacific cities shorter than any other major airport in the region and its integrated development with the Port of Taipei will provide the advantage of a free trade zone linked to airport and seaport. The convenient distribution of goods in this economic corridor will boost the overall development of northern Taiwan.





## Wind Power Generation

Taiwan is blessed with abundant wind resources, particularly areas in the Taiwan Strait and coastal land between Taoyuan and Yunlin. Strong summer southwest air streams and winter northeast monsoon winds make the west coast well suited to building wind farms. In a ranking compiled by the consultancy 4C Offshore of average wind speed observations over the past 23 years, 16 of the top 20 spots are located in the Taiwan Strait. According to research published in 2013 by the Industrial Technology Research Institute, the maximum installable area of Taiwan's offshore wind power is 5,640 km<sup>2</sup> and the maximum installed capacity is 29.0 GW, enough to power 20 million homes.

In 2012, Taiwan announced the “Thousand Wind Turbines Project” and founded the Thousand Wind Turbines Project Promotion Office. Goals include installing four demonstration offshore wind turbines by 2016 and completing a 520 MW wind farm by 2020, which when combined with onshore wind farms will bring total installed capacity to 1,720 MW. Long-term goals include achieving 3,000 MW of offshore capacity by 2025 and 4,000 MW by 2030, which would bring total onshore/offshore installed capacity to 5,200 MW.

In order to accelerate the development of renewables in Taiwan and thereby build an economy supported by green energy, the Ministry of Economic Affairs offers incentives for offshore wind farm demonstration plans. Development is to be divided into separate zones. By adding 300 MW of capacity each year, large-scale offshore wind farms will gradually take shape, until an installed capacity of 4,000 MW is reached in 2030. Offshore wind energy projects are projected to draw NTD 2.5 billion of fresh investment in 2016 and a total of NTD 670 billion in investment between 2015 and 2030.

## Promoting Innovative Industries

To provide a new engine for economic growth, the government has prioritized five industries that combine strong domestic demand with local characteristics: Internet of Things (IoT) in an Asian Silicon Valley, smart machinery, biotechnology and pharmaceuticals, green energy technology and national defense. Initially, local markets will drive demand. Investment, technology and talent will congregate to form innovative industrial clusters that spur global expansion and cultivate international enterprises. At the same time, the clusters will raise technical standards, balance regional development and create new job opportunities.







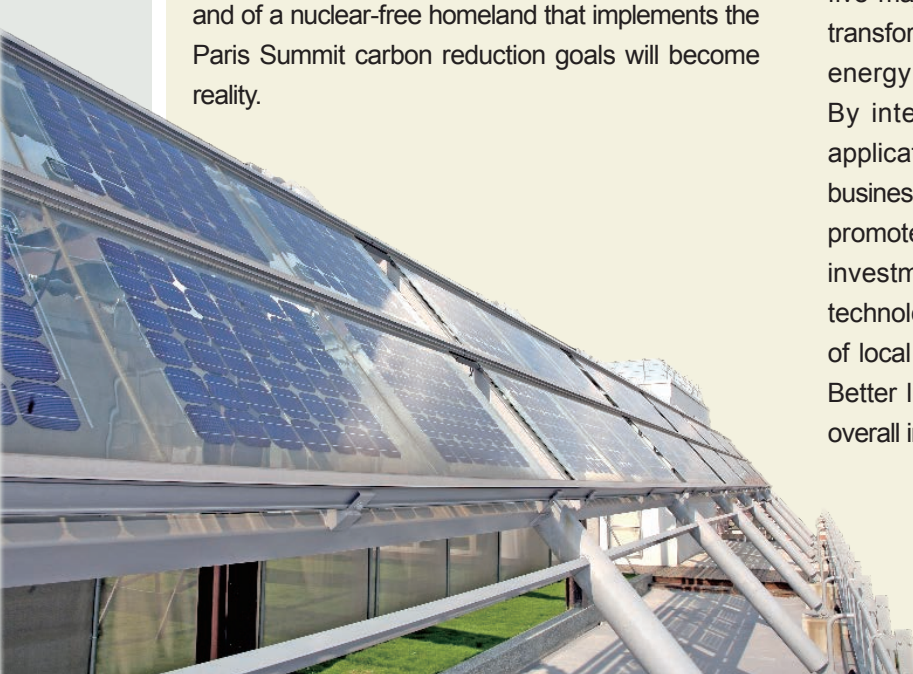
### ■ Asian Silicon Valley Plan

Central to the Asian Silicon Valley Plan are forward-looking “future industries” such as IoT, Big Data and Industry 4.0. By strengthening local industries while looking internationally, the plan will combine the copious manufacturing and R&D capacity of domestic manufacturers with R&D resources of advanced nations. Taiwan's supply chains will become world-class and highly innovative.

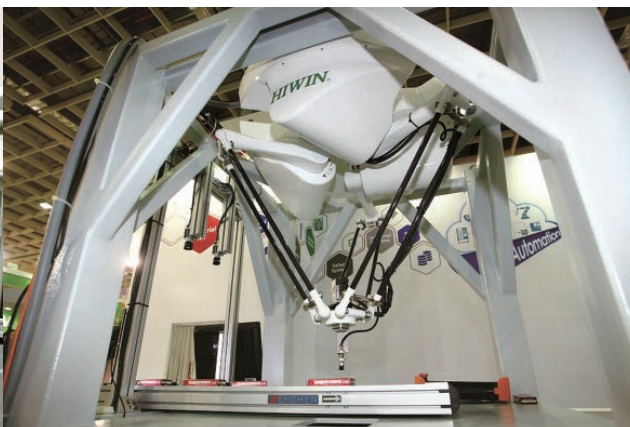
The plan will congregate technology, talent and venture capital from around the world to build a sustainable R&D environment capable of developing innovative, intelligent applications. Its economic strategies will promote innovation, employment and distribution while responding to cross-generation, cross-border, cross-field, and cross-channel (physical and virtual) development trends. As the plan becomes the engine behind Taiwan's next generation of industrial growth, its visions of a smart Taiwan with high-value services and of a nuclear-free homeland that implements the Paris Summit carbon reduction goals will become reality.

### ■ Innovative Green Energy Technology

The Greater Tainan area's upgrade to a special municipality together with the central government's decision to designate green energy as one of the nation's six emerging industries has led Tainan to prioritize establishment of a low carbon, sustainable technological city, implementing plans for a solar city, smart low-carbon city, Biotechnology Green Energy Expo, and electric vehicle demonstration. Conditions in Tainan are well suited to development of green energy, and a strong foundation is already in place. With a focus on photovoltaics and LEDs, other related industries include electric vehicles, wind power, hydrogen energy and fuel cells, and energy ICT. Related enterprises are clustered in the Southern Tainan Science Park, Tainan Technology Industrial Park, Tree Valley Park, Yong-Kang Industrial Park and Rende Industrial Park. Included in the central government's proposed five major innovative R&D industries is a plan to transform the Tainan area of Shalun into a green energy technology and innovation ecosystem. By integrating basic academic research with applications developed by research institutions, businesses will be better equipped to develop and promote products and technologies. International investment promotion will attract the talent and technology needed to enhance the development of local industry and services in southern Taiwan. Better linkage with the rest of the world will spur overall industrial development.







## ■ Asia-Pacific Biomedical Research and Industry Center

Taiwan's biomedical industry is world renowned, in particular its clinical medicine and research into diseases that are highly prevalent among people of Chinese ethnicity. Researchers benefit from abundant biomedical R&D facilities, including more than 100 hospitals that are equipped to participate in clinical trials and 23 hospitals that are internationally certified clinical trial research centers. Besides Taiwan's possession of an excellent health system, abundant professional health workers and comprehensive health facilities, the costs associated with R&D of new drugs are lower than those in Singapore, Japan or Australia. Taiwan also respects and protects intellectual property rights. With so many advantages, conditions are ripe for consolidating local innovation clusters and linking them to the global biotechnology and pharmaceutical industry. By improving the effectiveness of people, capital, intellectual property and the legal environment while integrating resources and carefully choosing R&D themes, Taiwan is in position to build an Asia-Pacific center for biomedical R&D.

The Taiwan Biobank was built following the example of other nations with advanced biotechnology and pharmaceutical industries. By specializing in the genes, lifestyle habits, and geographical and environmental factors common among eastern groups of people, the biobank is well positioned to serve as a test market and trial base for the Asia-Pacific biotechnology and

pharmaceutical industry. In the future, Taiwan will utilize its industrial advantages and resources, connect clusters, and integrate production and demand to form a comprehensive, seamless industrial clusters. Future clusters in Taipei's Nangang District, Hsinchu's Zhubei City, Taichung's Central Taiwan Science Park and Tainan's Southern Taiwan Science Park will be part of a one-day living circle along the high-speed rail line. Together, they will form a biotechnology and pharmaceutical R&D belt.

## ■ Innovative Smart Machinery

Upgrading of the precision machinery industry is fostering the development of smart machinery, one of Taiwan's five major innovative R&D industries. It is creating new job opportunities and expanding opportunities for whole-factory and whole-production-line exports, and in the process of turning central Taiwan





into a center for smart machinery. Implementation of the Smart Machinery Industry Promotion Project is consolidating Taiwan's abundant capacity for innovation, so it can develop technological applications and services that satisfy demand and create the next growth engine for Taiwan's machinery industry.

The project is consolidating smart technology to give machinery the ability to predict malfunctions, improve precision and make automatic adjustments to settings based on data readings. As it gives Taiwan's machinery and equipment manufacturers the capacity to provide complete solutions, it is encouraging industries to accelerate their pace of smart machinery adoption. Businesses that build smart production lines can then use the cloud and the internet to quickly connect with consumers and form manufacturing network service systems. Future development goals include the following:

1. Industrialization of Smart Machinery: Build a smart machinery industrial ecosystem, strengthen medium- and long-term deployment of autonomous technology used in smart machinery and product innovation, and develop smart machinery that is based on fulfilling solutions.
2. Industrial Adoption of Smart Machinery: Encourage industries to integrate smart processes in a manner that eases the pressure of labor force changes, accelerates human capital advances, innovates industrial production processes and significantly raises production capacity. Use ICT industrial advantages to speed up efforts to make industrial supply chains smarter and more rational.

## ■ National Defense

Policy guidance calls for reforming national defense and promoting the integration of the private sector in the defense industry so as to build an autonomous defense industry. Taiwan will privatize defense resources in order to boost the aerospace, navy shipbuilding and information security industries, as well as peripheral mechanical, materials and machinery industries. The National Chung-Shan Institute of Science and Technology in Taichung, Tainan and Taoyuan will become bases for the development of unmanned aerial vehicles and indigenous advanced trainers, which will spur development of the next generation of fighters. Kaohsiung, Pingtung and Yilan will become bases for the development and manufacture of newly configured submarines and updated or upgraded mid-to-large-size surface ships. Taipei and Hsinchu will become bases for using military demand to increase the scale of the domestic information security market, aiding both investment and R&D.

## ■ New Materials and the Circular Economy

R&D in materials is carried out mainly to speed up the development of high-value chemical materials needed by the five major innovative R&D industries. Typically, pilot mass production plans facilitate private-sector production of higher-value chemical materials that are innovative and green.

A circular economy aims to achieve the effective use of resources by circulating them for reuse. Manufacturers that stop polluting produce both environmental and economic benefits. The integration and linking of energy and resources provides a diverse range of sustainable-use options.





## Innovative Business Service Industries

### ■ Smart Network Commercial Applications

As cyber-environments grow, a new business trend is to integrate cyber-technology into business applications. Taiwan is part of this movement. Smart management, smart marketing, smart shopping, smart services and demonstration projects show how innovative cyber services are leading the development of business services. They are creating a smarter, more convenient consumer environment that offers in-depth experiential value.

### ■ Business Services Productivity 4.0

To fulfill consumer needs and coordinate with the government's Asian Silicon Valley and business services industrial policy, the Business Services Productivity 4.0 plan was launched. It uses Big Data, IoT and other smart technologies, and integrates storefront and online retail and distribution channels to build a complete distribution and service ecosystem. The result is a convenient, meaningful smart shopping environment that provides unique experiences before, during and after purchase. This will promote the upgrading and transformation of domestic business services, leading to new growth in output value.

### ■ Advertising Design

Taiwan's advertising design enterprises are highly creative and adept at using digital technology. In



conjunction with domestic and foreign advertising design associations, the government holds international forums and competitions that help to cultivate talented advertising designers with international vision and business management skills. They can then make Taiwan's external services more competitive.

### ■ Franchise Chains

Taiwan boasts highly capable and flexible franchise chain operators that are creative, fast to develop new products, and offer high quality goods and services. Besides operating and managing chain stores, they offer advice on franchise systems, government resources and overseas expansion. Taiwan also hosts international exhibitions that franchise businesses can attend to learn how to advance operational models and competitiveness.



## New Agriculture

Three main themes are behind Taiwan's push to accelerate recalibration of the agriculture industry: creating model agricultural businesses, building agricultural safety systems and raising agricultural marketing capacity. Pilot policies include targeted environmental payments, agricultural insurance, solar sharing and young farmer support. The government continues to bolster agricultural safety systems as well as market-oriented sales, vigorous small farms and support for agribusiness. A national-level farm product trading platform and a national agriculture and fisheries company are being established. New markets are being opened in Southeast Asia and Muslim countries in the Middle East. These changes are bringing new innovation and value to agriculture in Taiwan and are restructuring its agriculture.

## New Southbound Policy

The “New Southbound Policy” is a new people-oriented economic strategy that will expand the breadth and diversity of external trade, so Taiwan can end its past overreliance on a single market. Implementation will be based on three approaches:

1. New Scope: The plan includes the 10 ASEAN nations and six South Asian nations.
2. New Direction: Trade, investment, industrial cooperation and talent exchange will serve as four key pillars to strengthen multi-faceted bilateral exchanges and attract investments by enterprises from ASEAN and South Asia.



3. New Support: Extending trade, investment and industrial cooperation to ASEAN and South Asia markets will provide new support for the Taiwan economy.

## Establishment of a National-level Investment and Trading Company

In order to assist enterprises with domestic investment and overseas market expansion, the government will establish a national investment and trading company. The company will be jointly planned by the National Development Fund, state-run enterprises, private enterprises, and other government funds. It will serve as a platform for finding, initiating, integrating and facilitating investment and trade. With an initial paid-in capital forecast of NTD 10 billion, the company will become a flagship for investment and trade.

In accordance with the “New Southbound Policy,” the company will establish branches in major overseas markets and conduct overseas market research. It will locate and initiate new business opportunities to help domestic SMEs with overseas sales channel expansion and whole-factory exports.







# 動力 Advantageous Environment

Several factors make Taiwan a suitable location for investment by foreign enterprises: a friendly tax system, the provision of incentives, high-quality human resources and stable financial markets. Various industrial development zones satisfy the investment needs of foreign enterprises.



## A Transparent, Friendly Tax System

Much like the tax systems in Europe and the United States, Taiwan has a separate tax law for each type of tax. Tax laws are clearly defined, and filing requirements are relatively simple and straightforward. Taiwan has concluded 30 comprehensive tax agreements that are designed to encourage cross-border investment and economic activities. After Taiwan joined the WTO in 2002, it gradually began to reduce the average nominal and effective tariff rates for customs duties in order to meet WTO standards. The Taiwan tax system is characterized by its friendly environment, open and transparent collection and auditing procedures, and reliable taxpayer protection.



### Taiwan Tax System

National Taxes	Income Tax, Business Tax, Commodity Tax, Customs Duties, Estate Tax, Gift Tax, Securities Transaction Tax, Futures Transaction Tax, Tobacco and Wine Tax, Specifically Selected Goods and Services Tax
Local Taxes	Land Value Tax, Land Value Increment Tax, House Tax, Agricultural Land Tax, Deed Tax, Amusement Tax, Stamp Tax, Vehicle License Tax

## Profit-Seeking Enterprise Income Tax

A profit-seeking enterprise having its head office in Taiwan (including a subsidiary of a foreign company) is subject to profit-seeking enterprise income tax on its worldwide income. A foreign tax credit is available for income tax paid in other countries on income derived from outside Taiwan in accordance with the tax act of the source country of that income. The credit may be used to offset the foreign tax paid against the enterprise's Taiwan income tax liability, but the credit may not exceed the tax liability that would result if the foreign-source income were added to the Taiwan taxable income and taxed at the applicable domestic rate.

A profit-seeking enterprise whose head office is outside Taiwan (such as a Taiwan branch of a foreign company) is subject to profit-seeking enterprise income tax on its Taiwan-source income, in accordance with the Income Tax Act.

## Profit-Seeking Enterprise Income Tax

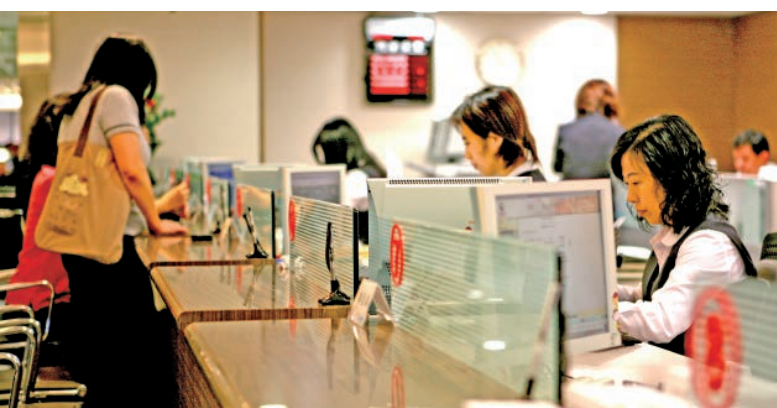
Taxable Income Bracket (NTD)	Tax Rate
Up to 120,000	None
Over 120,000	17% of total taxable income, but income tax liability may not exceed 50% of the portion of taxable income over NTD 120,000

## ■ Imputation System

Under Taiwan's imputation system, which was implemented on January 1, 1998, a Taiwan company (including a subsidiary of a foreign company in Taiwan) can allocate its profit-seeking enterprise income tax to domestic shareholders as an imputed tax credit, and individual shareholders can use the imputed credit to offset their individual income tax liability. Beginning January 1, 2015, only half of the amount imputed can serve as a tax credit.

In line with the imputation system, since 1998 profits earned by profit-seeking enterprises but not distributed by the end of the fiscal year have been subject to a 10% advance retained earnings tax, which can be claimed as credit against the final tax liability of foreign shareholders. Beginning January 1, 2015, only half of this amount can serve as a tax credit.

When the Taiwan branch of a foreign company remits after-tax profits to its overseas head office, the profits are not considered distributed and are not subject to income tax.





## Alternative Minimum Tax

Profit-seeking businesses are required to include tax reductions arising from securities and futures transactions in their alternative minimum tax calculation. Since 2013, 50% of capital gains from transactions of shares held for at least three years by a profit-seeking enterprise (after allowance is made for losses derived from share transactions) have been tax exempt.

## Basic Tax Amount Formula

Basic tax amount = [(taxable income as described in the Income Tax Act + exempt income) – NTD 500,000] X 12%

## Individual Income Tax

### ■ Tax on Residents

A "resident" for tax purposes is defined as a person who is domiciled in Taiwan and resides at all times within the territory of Taiwan, or a person who is not domiciled in Taiwan but who resides within the territory of Taiwan for no less than 183 days during a taxable year. A resident individual must file an income tax return, including the income, exemptions and deductions of his/her spouse and dependents.

## Progressive Tax Rates of Individual Income Tax

Tax Bracket (NTD)	Tax Rate	Progressive Difference (NTD)
0~520,000	5	0
520,001~1,170,000	12	36,400
1,170,001~2,350,000	20	130,000
2,350,001~4,400,000	30	365,000
4,400,001~10,000,000	40	805,000
10,000,001以上	45	1,305,000

Note: From the end of 2015, individual incomes of over NTD 10 million will be subject to a marginal tax rate of 45%.

Since January 1, 2016, an integrated housing and land tax system has been in effect. Profits from housing and

land sales are taxed at different rates depending on how long the owner has held the property.

Resident		Non-Resident	
Time of Ownership	Tax Rate	Time of Ownership	Tax Rate
One year or less	45%	One year or less	45%
Between one and two years	35%		
Between two and 10 years	20%	More than one year	35%
More than 10 years	15%		
Owner-Occupied Residence	10%		

### ■ Tax on Nonresidents

An individual who is not domiciled in Taiwan and who stays in Taiwan for less than 183 days in a calendar year will be deemed a nonresident. Income tax on nonresidents, which is generally collected through withholding at the source, is typically subject to a tax rate of 20%. If a nonresident individual is in Taiwan for less than 90 days in a calendar year, compensation received from a foreign employer is exempt from Taiwan income tax.

### ■ Alternative Minimum Tax

If a nonresident individual or a resident individual does not receive an investment tax credit and does not need to claim tax exemptions, or if the basic taxable amount is less than NTD 6.7 million, or if the basic taxable amount is lower than the regular taxable amount, he or she is not required to file and pay the Alternative Minimum Tax. The individual basic tax is to be filed on a household basis.

## Tax Treaties

In accordance with the Income Tax Act, nonresident individuals and foreign profit-seeking enterprises having no fixed place of business in Taiwan shall have 15% or 20% tax payable withheld at the time of payment for dividends, interest and royalties.

Taiwan has concluded 30 comprehensive income tax agreements. Withholding tax rates for dividends, interest and royalties under these treaties are as follows:

Country	Items		
	Dividends (%)	Interest (%)	Royalties (%)
Non-treaty countries	20	15, 20	20
Europe			
Austria	10	10	10
Belgium	10	10	10
Denmark	10	10	10
France	10	10	10
Germany	10	10,15	10
Hungary	10	10	10
Italy	10	10	10
Luxembourg	10,15	10,15	10
Macedonia	10	10	10
Netherlands	10	10	10
Slovak Republic	10	10	5,10
Sweden	10	10	10
Switzerland	10,15	10	10
United Kingdom	10	10	10
Asia			
India	12.5	10	10
Indonesia	10	10	10
Israel	10	7,10	10
Malaysia	12.5	10	10
Singapore	40(See Note)	Undecided	15
Thailand	5,10	10,15	10
Vietnam	15	10	15
Japan	10	10	10
Oceania			
Australia	10,15	10	12.5
Kiribati	10	10	10
New Zealand	15	10	10
Americas			
Paraguay	5	10	10
Africa			
The Gambia	10	10	10
Senegal	10	15	12.5
South Africa	5,15	10	10
Swaziland	10	10	10

Source: Taxation Administration, Ministry of Finance

Note: The total of the issuing company's corporate income tax liability and the tax withheld will not exceed 40% on a weighted basis.

## Business Tax

All sales of goods, including imported goods or labor, within Taiwan are subject to the business tax. Foreign enterprises that do not have a fixed place of business in Taiwan and that purchase goods or services for exhibitions or temporary business activities (such as business trips, inspections, market surveys, investment promotions, marketing, or marketing presentations) within a period of one year may qualify for a VAT refund on the goods or services provided reciprocal treatment or an exemption from similar taxes is granted to the same institutions of Taiwan by the foreign country in which they are performing such activities.

Value Added Business Tax (VAT)	The VAT is levied by the business during the sales process. Except for items for which zero-rate or tax exemptions apply, the current rate is 5%.
Non-Value Added Business Tax	Industries in which the non-value added business tax is levied include finance, pawn broking, special food and beverage services, small-scale businesses, and business operators that by Ministry of Finance regulations are exempt from reporting sales. Businesses in the above industries pay the non-value added business tax based on their total sales, without deducting input tax. The highest rate is 25%, and the lowest is 0.1%. Businesses in the aforementioned industries may apply to switch to the VAT.

## Specifically Selected Goods and Services Tax

In accordance with the Specifically Selected Goods and Services Tax Act, a special tax of 10% shall be imposed on the sale, manufacture and import of specifically selected goods or services within Taiwan, except where other laws apply.

Basic income = net consolidated income + overseas income (an amount less than NTD 1 million shall not apply) + life insurance and annuities insurance for beneficiaries and policyholders (total annual household death benefits amounting to less than NTD 30 million shall not apply) + income from transactions of beneficiary certificates of privately offered funds + non-cash donations

Basic taxable amount = (basic income – NTD 6.7 million) x 20%



## Commodity Tax

All commodities listed under the Commodity Tax Act, whether manufactured in Taiwan or imported, are subject to the commodity tax, except where other laws apply. Tax rates or amounts are different for each category of commodity.

## Customs Tariffs

Customs duties, including valuation and classification, are levied in accordance with the Agreement on Customs Valuation, World Trade Organization, and Harmonized Commodity Description and Coding System (HS) of the World Customs Organization. In calculating customs tariff, ad-valorem tariff is primary; specific tariff and compound tariff are secondary. The customs value of imported goods subject to ad valorem duties shall be determined and calculated on the basis of the transaction value. The term “transaction value” means the price actually paid or payable for the imported goods sold from the exporting country to Taiwan.

## Tobacco and Alcohol Tax

Tobacco and alcohol products, whether manufactured domestically or imported, are subject to the tobacco and alcohol tax. A health and welfare surcharge is also levied on tobacco products.

## Estate Tax and Gift Tax

When a Taiwan national who is a resident of Taiwan dies or presents a gift, the estate tax or gift tax is levied on his or her entire estate and all property transferred by gift, whether domestic or foreign. For a Taiwan national who is a non-resident or a non-Taiwan citizen, only the portion of property which is inside Taiwan is subject to the estate tax and gift tax.

The tax-exempt amount of the estate tax is NTD 12 million. If the Taiwan investment of the inheritor conforms to provisions of the Regulations on Preferential Estate Tax on Approved Investment by Returning Overseas Chinese, then 50% of the current asset value of the approved portion of the investment is deducted and exempt from the estate tax.

## Estate Tax Amount Formula

The amount of estate tax owed = (total value of taxable estate – exempt amount – deduction amount) x 10% – tax credits and interest

The donor is generally the payer of the gift tax and is eligible for an NTD 2.2 million exemption from taxes per year. Gifts such as donations to public schools, public entities, state-run organizations or units, non-profit organizations, charitable organizations, and religious groups are exempt from the gift tax.

## Gift Tax Amount Formula

The amount of gift tax owed = (total taxable value – exempt amount – deduction amount) x 10%

## Securities Transaction Tax

Trading of securities, including shares issued by companies, corporate bonds and other securities offered to the public with government approval, are subject to a securities transaction tax payable by the seller.

## Futures Transaction Tax

A futures transaction tax is assessed on all those who engage in futures transactions in Taiwan.

## Introduction to Local Taxes

Type of Tax	Explanation
Land Value Tax	★ Except for land that is subject to the agricultural land tax (currently suspended), land that has been assigned a value in Taiwan is subject to the land value tax.
Land Value Increment Tax	★ Land that has been assigned a value in Taiwan is subject to the land value increment tax based on the total amount of land value increment at the time of transfer of the land title.
House Tax	★ The house tax is levied on all houses that are attached to land within the Taiwan territory and on such other buildings which enhance the utility value of those houses.
Deed Tax	★ For building transactions involving sale, the creation of lien, exchange, bestowal, partition, or acquisition of ownership by virtue of possession, the taxpayer is required to report the transaction and pay the deed tax.
Stamp Tax	★ Various kinds of documents as specified in the Stamp Tax Act and drawn up in the Taiwan territory are subject to the stamp tax. ★ If a document has been drawn up in several countries and is signed by one of the parties within Taiwan territory, it is legally subject to the stamp tax.
Vehicle License Tax	★ The owner or user of transportation equipment that uses public roads or waterways in Taiwan, regardless of purpose, whether public, private, or military, is required by law to obtain a vehicle license and pay the vehicle license tax in addition to obtaining required permits and paying fees as provided by various laws.
Amusement Tax	★ Amusement tax shall be levied on tickets sold or fees charged by amusement places, facilities or activities; if the amusement places, facilities or activities do not sell tickets but supply drinks or entertainment facilities for a fee, the amusement tax shall be levied on the amount of charges thereof.

Source: Taxation Administration, Ministry of Finance (<http://www.dot.gov.tw>)

## Benefits and Incentives to Attract Investors

In order to encourage investment by domestic and foreign investors, Taiwan offers a variety of benefit and incentive programs. These provide for income tax exemptions and R&D subsidies based on a company's R&D investment. To increase investment and develop trade, the government has created bonded zones such as science parks, export processing zones, agricultural technology parks and free trade zones. These efforts to incentivize investment lower operating costs for companies.

### Tax Incentives for Special Zones

The following tax incentives are offered to businesses in science parks, export processing zones, and agricultural technology parks, along with bonded factories and bonded warehouses, and businesses in logistics centers and free trade zones.

Indirect Tax Incentives	Export Processing Zones	Science Parks	Agricultural Technology Parks	Bonded Factories	Bonded Warehouses	Logistics Centers	Free Trade Zones
Import of Raw Materials and Machinery from a Foreign Country	Duty free Commodity tax free VAT free				Duty free Commodity tax free VAT free Tobacco and alcohol tax free No tobacco health and welfare surcharge No trade promotion service fee No port dues		-
Import of Goods for Use in Operations	-						Duty free Commodity tax free VAT free Tobacco and alcohol tax free No tobacco health and welfare surcharge No trade promotion service fee No port dues
Import of Fuel, Materials and Semi-Finished Materials	Duty free Commodity tax free VAT free				Duty free Commodity tax free VAT free No trade promotion service fee No port dues		-
Import of Self-Use Machines, Equipment	Duty free Commodity tax free VAT free			Duty free Commodity tax free VAT free No trade promotion service fee	-		Duty free Commodity tax free VAT free No trade promotion service fee No port dues
Export of Products/ Services to a Foreign Country	0% VAT (commodity tax free, no specifically selected goods and services tax)						
Purchase of Raw Materials, Fuel, Supplies, Semi-Finished Materials, and Machinery from a Non-Bonded Area in Taiwan	0% VAT						

Source: Maritime and Port Bureau, MOTC (<http://www.motcmpb.gov.tw>)



## Other Tax Incentives

Type	Explanation
R&D	★ In accordance with the Statute for Industrial Innovation, investment for innovation and R&D activities may be claimed as a deductible expense against the current fiscal year's payable business income tax by selecting one of the following two tax credits: (1) 15% of expenses applied to the current year, (2) 10% of expenses applied for three years; however, the amount may not exceed 30% of the current year's profit-seeking-enterprise income tax.
	★ In accordance with the Statute for Industrial Innovation, where a Taiwan individual or company receives revenue from assignment or licensing of intellectual property rights, up to 200 percent of R&D expenses in the then current year may be deducted from the amount of taxable income up to the amount of the above revenue in that year. In the case of a company, the company may elect to apply the tax credit against its R&D expenses under either this paragraph or the previous paragraph.
	★ SMEs that meet a designated investment amount for innovation and R&D activities can use the Act for Development of Small and Medium Enterprises to get a tax credit of up to 30% of the current year's profit-seeking-enterprise income tax by selecting one of the following two tax credits: (1) 15% of R&D expenses applied to the current year, (2) 10% of R&D expenses applied for three years; however, the deductible amount may not exceed 30% of the current year's profit-seeking enterprise income tax.
Stock-Based Employee Compensation, Deferred Payment for Shares Acquired with Transferred Technology	★ Where a company employee acquires stock-based employee compensation, the employee may opt to defer the assessment of the income tax payable under the Income Tax Act up to an annual total of NTD 5 million worth of the acquired shares as calculated at the market price prevailing in the year of acquisition until the fifth year after the year in which he/she acquires the shares. Once the decision is made, it cannot be changed.
	★ Where a Taiwan individual or company assigns or grants a license to use intellectual property rights in his/her/its own R&D results to a listed, OTC or emerging stock company as payment for the shares in the company subscribed for by him/her/it, the individual or company may opt to defer assessment of the income tax on his/her/its income for the then current year as calculated on the basis of the above shares in accordance with the law until the fifth year after the year he/she/it subscribes for the shares. Once the decision is made, it cannot be changed. Where the intellectual property rights are assigned or licensed by an individual or company to one other than a listed, OTC or emerging stock company, the new shares acquired by the individual or company shall be excluded from his/her/its taxable income for the then current year. However, where such shares are transferred, the entire transfer price less the expenses or costs incurred for acquiring the shares but not yet recognized shall be included in the revenue for the year of transfer and be declared for assessment of income tax.
	★ Where a Taiwan individual or company receives revenue from assignment or licensing of his/her/its intellectual property rights in his/her/its own R&D results, up to 200 percent of the R&D expenses in the then current year may be deducted from the amount of the taxable income up to the amount of the above revenue in that year. In the case of a company, the company may select either the 200% expense deduction or one of the R&D expense tax credits from Article 10.
Biotechnology and New Pharmaceutical Industries	★ For biotechnology and new pharmaceutical companies, 35% of R&D and employee training expenditures may be claimed as a deductible expense against the current year's payable business income tax. If the current fiscal year's expenditure on R&D or employee training exceeds the average amount spent in the previous two fiscal years, half of the excess amount may be claimed as a deductible expense.
	★ When for-profit enterprises invest in the founding or expansion of biotechnology or new pharmaceutical companies and also have been or become such a company's registered shareholder for a period of three years or more, 20% of the amount invested may be claimed as a deductible expense against their payable business income tax.
	★ When professionals or technology investors of biotechnology or new pharmaceutical companies receive income in the form of newly issued stock or the subscription of shares through stock option certificates (with the subscription value being lower than the face value), the amount is exempt from the current fiscal year's taxable income. However, if such stock or shares are transferred, gifted, or part of an estate settlement, they shall be listed as income for the current year and declared once cost has been deducted.
Private Participation in Major Infrastructure Projects	★ Private sector companies that participate in major infrastructure projects are eligible for a five-year business income tax exemption, investment tax credits, and exemption of tariffs on imported construction machinery as well as deductions on the house tax, land value tax, and deed tax. Profit-seeking businesses that invest in private-sector organizations that participate in major infrastructure projects also receive deductions on their business income tax.
Tourism Industry	★ A tourism enterprise with a corporate organization may claim 10% - 20% of international tourism promotion expenditures as a deduction against payable business income tax for the current year. Unused deduction amounts can be claimed within a period of four years; however, the amount may not exceed 50% of the current year's total business income tax payable (the amount deductible in the final year is not subject to this restriction).

Type	Explanation
Film Production	★A private company that invests in the establishment or expansion of a domestic motion picture production enterprise of a designated size, is a holder of an original share subscription or by solicitation of registered shares issued by said domestic motion picture production enterprise, and holds the shares for three years or more, may credit a maximum of 20 percent of the amount paid for the share acquisitions against the amount of the profit-seeking-enterprise income tax payable each year within a period of five years from the then-current year.
Investment in the Film Production Industry	★When a profit-seeking enterprise invests a certain amount in the establishment or expansion of a film production enterprise, and has held registered stock, either originally owned or obtained as a result of fundraising, in that enterprise for a period of at least three years, up to 20% of the purchase price of the stock may be claimed as a deductible expense against its business income tax payable within a five-year period starting from the fourth year after becoming a registered shareholder of that film production enterprise.
Development of Satellite Towns	<p>★A joint stock limited liability company investing in satellite town development may claim up to 20% of total investment as a deduction against business income tax payable on development income for the current year.</p> <p>★When a company limited by shares invests in a designated applicable tax-incentive zone and engages in an industry facilitating satellite town development, the company may claim up to 20% of the total amount of actual purchases of new machinery, equipment, and buildings used for business purposes in accordance with the company's investment plan after beginning operation as a deduction against payable business income tax for the current year.</p>
Urban Renewal	★When an urban renewal enterprise in the form of a company limited by shares invests in urban renewal undertakings within an area designated by the competent authority as subject to urban renewal, the enterprise may claim up to 20% of total investment as a deduction against business income tax payable for the year in which the urban renewal project is completed.
Import of Machinery Not Manufactured Domestically	★Imported machinery of a kind not yet manufactured domestically is eligible for tariff-free treatment following verification by the Ministry of Economic Affairs.
Hiring Additional Employees	<p>★SMEs that hire additional full-time employees and raise their overall salary expenses can recognize additional tax deductible salary expenses up to 130% of the salaries paid to Taiwanese employees newly hired in the current year.</p> <p>★For additional domestic hires who are 24 years old or younger, SMEs can deduct up to 150% of the annual gross salary payments to these young domestic hires from their then current year profit-seeking enterprise income.</p>
Salary Raises	★During the period when the composite leading indicators are above designated levels, if an SME raises the average salary paid to domestic junior employees, it can deduct up to 130% of the incremental annual gross salary payments, excluding statutory basic wage adjustment, to the junior employees from its profit-seeking-enterprise income for the current year. However, the additional salary paid to the new hires shall not be deducted redundantly here as it has been used for tax benefit under the provisions in the preceding two paragraphs.
Free Trade Zones and International Airport Parks	★Foreign profit-seeking enterprises conducting goods storage and/or simple processing operations in free trade zones and which sell the goods to domestic and/or overseas customers are exempt from the profit-seeking-enterprise business income tax; however, enterprises that have sold to domestic customers more than 10% of their total annual sales shall not be granted an income tax exemption on the excess portion.
Stock-Based Employee Compensation	★Where a company employee acquires stock-based employee compensation (meaning shares issued as employee compensation, employee stock options at cash capital increase, treasury shares redeemed for issuance to employees, share subscription warrants issued to employees, and new restricted stock award shares issued to employees), the employee may opt to defer the assessment of the income tax payable under the Income Tax Act on up to an annual total of NTD 5 million worth of the acquired shares as calculated at the market price prevailing in the year of acquisition until the fifth year after the year he/she acquires the shares.
Intellectual Property Rights	★Where an individual or a company assigns or grants a license to use his/her/its intellectual property rights in his/her/its own R&D results to a listed, OTC or emerging stock company as payment for the shares in the company subscribed for by him/her/it, the individual or company may opt to defer assessment of the income tax as calculated on the basis of the above shares until the fifth year after the year he/she/it subscribes for the shares. Where the individual or company receives new shares from a company other than a listed, an OTC or an emerging stock company, the new shares shall be excluded from his/her/its taxable income until such shares are transferred.



## Land Incentives

### Land Incentives for Industrial Parks

Discounts on Land in Industrial Parks:

Land Sale in the Tainan Technology Industrial Park (65 cases)	<p>★Applicable to land that has not been rented or sold in the Tainan Technology Industrial Park. Conditions: (1) industrial land, (2) offer available until December 31, 2016; discount of 35% off the approved price in 2016.</p> <p>★Enterprises presently receiving land rental incentives and those that have terminated rental/lease agreements are not qualified.</p>
Rental (Not Sale) of Land in Phase 2, Shih-Liu-Pan District, Yunlin Technology-Based Industrial Park	<p>★Considering the growing scarcity of industrial land and fairness of land expropriation, 20% of industrial land in the newly developed Phase 2, Shih-Liu-Pan District of the Yunlin Technology-Based Industrial Park is reserved for rent (not sale). In line with market rental rates, enterprises can lease land to build a factory at an annual rental rate of 3.1%.</p>

Source: Industrial Development Bureau, MOEA (<http://www.moeaidb.gov.tw>)



### Land and Management Fee Incentives for Export Processing Zones

#### 1. Revival Plan for Old Factories

- (1) Rental Incentives: When there is an approved demolition and rebuilding of an old factory, rental incentives are offered starting from the commencement date listed on the building permit. No land rent is charged in the first two years, a 40% discount is offered in the third and fourth years, and a 20% discount is offered in the fifth and sixth years.
- (2) Qualified Applicants: This plan is for use in the Kaohsiung, Nanzi and Taichung parks. Qualified applicants must be at least one of the following:
  - An enterprise located within the park that demolishes then rebuilds an old factory.
  - A public or private enterprise that demolishes an old factory and is in the process of rebuilding, but has not yet finished, and that did not previously receive land rent incentives.
  - An enterprise within a park that takes over rebuilding of a factory that was demolished and partially, but not completely, rebuilt, and that did not previously receive land rent incentives.
  - An enterprise within a park that leases land where an old factory was demolished but has not yet been rebuilt. The land must not have previously been rented at a discounted price.
  - An enterprise located within a park that builds a new factory on its own land where it previously demolished an old factory. The new factory must have a floor area ratio of 200% or more and help promote the image of a high-technology park.
- (3) Period of Applicability: From January 1, 2013, to December 31, 2018.

## 2. Incentives in Kaohsiung Software Park

Land Rent Incentive Measure	Incentives
Enterprises in the Park (That Lease-to-Build) 555 Incentive 6688 Incentive	★ 50% discount on land rental during construction. Limit of three years, and can only be used one time for each plot of land.
	★ The "6688" land rental incentive plan is offered at the start of operations. Can only be used one time for each plot of land.
	★ The plan offers a 40% land rental discount during years 1 and 2 and a 20% discount during years 3 and 4. Standard rent is charged starting in year 5.
Enterprises in the Park (That Purchase a Buildings from a Developer) 6688 Incentive	★ The "6688" land rental incentive plan is offered at the start of operations. Can only be used one time for each plot of land.
	★ The plan offers a 40% land rental discount during years 1 and 2 and a 20% discount during years 3 and 4. Standard rent is charged starting in year 5.

In order to prevent enterprises that enter the park from terminating their contract on completion of these incentives, restrictions are placed on the rental period. The minimum rental period in the Kaohsiung Software Park is six years.

## 3. Incentives in Taichung Software Park

Land Rent Incentive Measure	Incentives
Developers 555 Incentive	★ 50% discount on land rental during construction. Limit of three years, and can only be used one time for each plot of land.
	★ Standard rent is charged starting from when the first enterprise begins to use the building (when the enterprise completes tax registration with the National Taxation Bureau).
Enterprises in the Park (That Purchase a Buildings from a Developer) 6688 Incentive	★ The "6688" land rental incentive plan is offered at the start of operations. Can only be used one time for each plot of land.
	★ The plan offers a 40% land rental discount during years 1 and 2 and a 20% discount during years 3 and 4. Standard rent is charged starting in year 5.
Enterprises in the Park (That Lease-to-Build) 006688 Incentive	★ The "006688" land rental incentive plan is offered at the start of construction and operations. Can only be used one time for each plot of land.
	★ The plan offers free land rental during years 1 and 2, a 40% discount during years 3 and 4, and a 20% discount during years 5 and 6. Standard rent is charged starting in year 7.
Park Management Fee (Limited to Business Operators Approved to Operate in the Taichung Software Park Before December 31, 2021)	★ Years 1 and 2: 40% discount on the management fee
	★ Years 3 and 4: 20% discount on the management fee
	★ Year 5 and After: Standard fee is charged

Source: Export Processing Zone Administration (<http://www.epza.gov.tw>)



## Low-Interest Loans

- ◆ Loans for Promoting Industrial Innovation or R&D: Applicable to all innovation and R&D projects relating to internet, manufacturing, technical services, distribution services, and cultural and creative industries. Loans can be up to 80% of total expenses of the approved plan up to a maximum amount of NTD 65 million per loan. Government assistance must first be deducted.
- ◆ Preferential Loans for Companies in Agricultural Technology Parks: Loans of up to NTD 80 million are available for the development or purchase of factories or related facilities and equipment, along with operational revolving funds. If the company is 50% or more foreign-owned, its investment in the park must be at least NTD 80 million and its paid-in capital must be at least NTD 30 million.
- ◆ Loans for Production, Marketing, Operations and R&D by Farmers' Associations and Agricultural Enterprises: Loans of up to NTD 50 million are available for production, marketing, operations and R&D by farmers' associations and agricultural enterprises engaged in businesses that promote government agricultural policy.



- ◆ Loans for Machine and Equipment Upgrades: Loans are available primarily for the purchase of automated machinery and equipment, pollution prevention equipment, and energy efficient equipment. The loans provided for each investment plan shall not exceed 80% of the total cost of the plan, and the total loans provided to each applicant shall not exceed NTD 400 million. For plans for the purchase of pollution prevention equipment, the maximum investment value is NTD 1 billion.
- ◆ Project Financing to Assist with Corporate Mergers and Acquisitions: Financing provided is primarily to assist enterprises with merger, acquisition and split-up plans. Financing for each plan shall not exceed 70% of the total cost of the plan. Total financing provided to each applicant shall not exceed NTD 1 billion.

## R&D Subsidies

In order to promote plans that advance commercial-academic R&D cooperation among firms located in science parks, the government provides subsidies for both the applicant and the academic institution up to a total of NTD 10 million, or 50% of the cost of development of the project (including self-raised funds). The total subsidy for the academic institution may not be less than 30% of the gross subsidy.

The Department of Industrial Technology, MOEA, promotes a variety of technology-based projects that encourage enterprises to invest in developing promising technologies. It also promotes cross-field integration to strengthen the industrial climate. Subsidies of up to 50% are offered based on project characteristics.

## Investment with Government Participation

The National Development Fund targets the Six Emerging Industries, the Four Major Smart Industries and key service sectors, with government-held shares not to exceed 49% of the total equity of the invested

Related policy information can be found in the investment incentives section of the Invest in Taiwan website <http://investtaiwan.nat.gov.tw>.

**Research and development subsidy plans offered by the Department of Industrial Technology, MOEA, are described in the following website:**

A+ Industrial Innovation R&D Program  
Global R&D Innovation Partnership Project  
<http://aiip.tdp.org.tw/index.php> (Chinese only)

enterprise. Moreover, the government has allocated NTD 10 billion each for investment in SMEs, cultural/creative industries, strategic services and strategic manufacturing industries, with government-held shares also limited to 49%. Government investment is conducted in conjunction with a professional management company.





## Investment Locations with Unlimited Potential

In order to boost investment, the Taiwan government has established not only general-purpose commercial and industrial zones but also special-purpose zones that can meet changing business needs. At present, there are 181 industrial parks, 10 export processing zones, three science parks, three agricultural technology parks, four environmental science and technology parks and seven free trade zones. All provide excellent, low-cost business operating environments. To develop an industrial park or other type of park, an environmental impact assessment is first conducted, which allows enterprises that occupy the park to reduce environmental protection costs. Such parks also provide ready-made basic infrastructure, fast and convenient administrative services, and incentive measures (see the Benefits and Incentives to Attract Investors section), and as a consequence they have become the first choice of location for foreign and domestic firms that are setting up factories, R&D centers or operations headquarters in Taiwan.

### General Commercial Zones

Taiwan provides a hospitable environment for business operations. In the area of land costs, the lower the cost of leasing commercial office building space, the lower the expenditures for business operators.

In the fourth quarter of 2015, the average monthly lease price for one ping (3.3 m<sup>2</sup>) of office space was NT\$ 2,011 and the vacancy rate was 6.94%. In 2015, Taipei added 68,000 ping of office space. The addition of higher-end property raised the occupancy rate of A-class office space to 10.75%, an increase of 3.59 percentage points compared to 2014. Lease prices also rose, with the average monthly price for one ping of A-class office space rising to NT\$ 2,606 in the fourth quarter, a year-on-year increase of 1.57%.

Due to overall economic conditions, B-class office space in desirable locations became a hot commodity among businesses looking to cut leasing costs. The overall demand for B-class office space increased in 2015, leading the vacancy rate for the year to fall by 0.89 percentage points to 4.01%, the lowest level in nine years.

The typical lease period for commercial office building space is two to three years, and annual cost increases are approximately 3 – 5%. Land and building areas in Taiwan are generally measured in ping (1 ping= approximately 3.3 m<sup>2</sup>) and leases are normally assessed on a monthly basis. Building management fees, cleaning fees and utilities are charged separately.

### General Industrial Zones

The main purposes of general industrial zones are to provide enterprises with sufficient land to build factories, to realize the economic benefits of industrial clusters and to prevent industry from having a negative impact on the surrounding environment. Taiwan currently has 181 general industrial zones that can satisfy a diverse range of industrial investment needs. Zones located in each of Taiwan's cities and counties provide land for enterprises to lease or purchase, and some offer land incentive programs. Also, the InvestTaiwan Service Center and a broker service commissioned by the Industrial Development Bureau (<http://idbpark.moeaidb.gov.tw>) serve as one-stop channels to match demand and supply of industrial land (<http://investtaiwan.nat.gov.tw>). (Note: For more detailed information, refer to the Taiwan industrial land supply and services information website, <http://idbpark.moeaidb.gov.tw>, Chinese only)





## Export Processing Zones

At present Taiwan has 10 export processing zones (EPZs) with a combined area of more than 500 ha. They are all bonded areas and are distributed across Kaohsiung, Taichung and Pingtung. EPZ land is only for leasing. Investors who lease land from the zone administrator can build their own factories or purchase standard facilities.

Land rent is set at 2.24% to 5% of the government-announced value of the land. The land lease period is 10 years in principle, though a lease agreement can be extended up to 20 years depending on the needs of individual enterprises (such as bank loans). To continue the agreement after 20 years, renewal is necessary. Additional fees are collected for public facilities for 20 years, based on the fee standards of each EPZ. Monthly rent is USD 0.05 – 2.08 per m<sup>2</sup>, while public facilities fees are USD 0 – 0.47 per m<sup>2</sup>.

Location	EPZ	Key Industries	Type
Central Taiwan	Taichung EPZ	Photonics and optoelectronics, electronics	Manufacturing
	Chungkang EPZ	Panel-related industries, precision tools	Manufacturing
	Taichung Software Park	Information software, digital content, cultural and creative items, and other knowledge-intensive industries	Software
Southern Taiwan	Nanzi EPZ	Semiconductor testing and packaging	Manufacturing
	Nanzi EPZ II	LCD optoelectronics	Manufacturing
	Kaohsiung EPZ	IC, LCD, LED, automotive parts and components	Manufacturing
	Chengkung Logistics Park	Storage, transport, logistics	Logistics
	Kaohsiung Software Park	Digital content, information software, and other knowledge-intensive industries	Software
	Linkuang EPZ	IC, LCD, LED, automotive parts and components	Manufacturing
	Pingtung EPZ	Value-added metals, water treatment equipment, motors	Manufacturing

Source: Export Processing Zone Administration, Ministry of Economic Affairs (<http://www.epza.gov.tw>)





## Science Parks

Taiwan established the Hsinchu Science Park, the Central Taiwan Science Park and the Southern Taiwan Science Park to serve as high-tech industrial bases and industrial clusters. Their contributions have made Taiwan's high-tech industries famous worldwide.

Land and standard facilities in science parks are available only for lease.

Hsinchu Science Park	Hsinchu Park	Integrated circuits, computers and computer peripherals, telecommunications, photonics and optoelectronics, precision machinery, and biotechnology
	Zhunan Park	
	Tongluo Park	
	Longtan Park	
	Hsinchu Biomedical Park	
	Yilan Park	
Central Taiwan Science Park	Taichung Park	Precision machinery, photonics and optoelectronics, integrated circuits, and biotechnology
	Houli Park	
	Huwei Park	
	Erlin Park	
	Advanced Research Park	
Southern Taiwan Science Park	Tainan Park	Photonics and optoelectronics, integrated circuits, precision machinery, biotechnology, ICT, and computer peripherals
	Kaohsiung Park	

## Free Trade Zones

At present, six seaports and one airport operate as free trade zones (FTZ). Enterprises operating within the zones are broadly permitted to engage in 19 categories of business: trading, warehousing, logistics, container distribution, re-export, forwarding, cargo shipments, customs clearance service, assembly and installation, reassembly, packaging, repairing, assembly, processing, manufacturing, inspections, testing, exhibition, and technical services, and they can operate in the form of a branch office, representative office, or operating division. For cargo that enters the zones from a foreign country or cargo that leaves the zones for a foreign destination or another free trade zone, the zones operate on a “cargoes released without the review of written documents or physical examination” basis. The easing of labor restrictions allows for designated manufacturing enterprises within the zones to employ a labor force consisting of up to 40% foreigners.

## Agricultural Technology Parks

At present, Taiwan has a national-level agricultural biotechnology park and two local agricultural technology parks, including the Taiwan Orchid Plantation in Tainan. By conducting R&D, sales, processing and operations, the parks expand production of high-value-added goods for export and guide surrounding farms to become satellites, thereby accelerating the formation of agricultural technology industry clusters.



Keelung Port FTZ	★ There are seven main external access roads. The zone is 60 km, or about a one-hour drive, from Taoyuan International Airport.
	★ The zone benefits from its location in the hinterland of Greater Taipei and its proximity to major political, economic, industrial and commercial centers of Taiwan. Suitable enterprises include warehousing, logistics, assembly and installation, reassembly, packaging, simple processing, cargo shipping, re-export and forwarding.
Kaohsiung Port FTZ	★ The zone is located 3 km from Kaohsiung International Airport and 2 km from the national freeway network. Each of the zone's access roads connects with Provincial Highway No. 17 and National Freeway Nos. 1, 3 and 10.
	★ Nearby industrial clusters include petrochemicals (led by CPC Corp., Taiwan) and shipbuilding (led by CSBC Corp., Taiwan) along with export processing zones and industrial zones in Kaohsiung and Pingtung as well as semiconductors, photonics and optoelectronics in the Southern Taiwan Science Park.
Taichung Port FTZ	★ Expressway access to Taichung Airport provides a convenient link between air and sea transport. Nearby clusters include the Taichung area export processing zone, machinery technology industrial park, Central Taiwan Science Park and Taichung Industrial Park.
Taipei Port FTZ	★ At a distance of only 23 km from Taoyuan International Airport, the zone provides a convenient link between air and sea transport.
	★ Primarily operates as a center for automobile logistics and a major supply chain node for petrochemical, chemical and oil products. In close proximity to the Taipei metropolitan area and the industrial districts of Tucheng, Wugu, Linkou and Shulin.
Su'ao Port FTZ	★ Links to northern Taiwan metropolitan areas via Provincial Highway No. 2 and National Freeway No. 5 allow for 40-minute road access to the zone.
	★ Currently adding investments in the green energy industry. Forms industrial clusters with nearby Longde and Lize industrial zones and Yilan Science Park.
Anping Port FTZ	★ Provincial Highway No. 17 and Expressway No. 86 serve as access roads to National Freeway Nos. 1 and 3. Also, located near Tainan Airport.
	★ One-hour road access to nearby industrial zones, science park, and agricultural and biotechnology parks.
Taoyuan Air Cargo FTZ	★ Primarily serves high value-added components and IT-related industries. Combines air cargo transport, logistics, operations and warehouse management functions. Operates as an air cargo station, a warehouse management facility, a value-added park zone, a logistics center and an operations center.

## Environmental Science and Technology Parks

The primary purpose of environmental science and technology parks is to develop advanced resource recycling technology, advanced environmental protection technology and the eco-industry in order to raise Taiwan's environmental protection standards and promote development of emerging environmental protection industries. Local governments in Taoyuan, Tainan, Kaohsiung and Hualien operate such parks designed to accommodate local industry.

## Overview of Environmental Science and Technology Parks

Area	Location	Major Focus
Taoyuan	Taoyuan High-tech Industrial Park	★ Located to the southwest of Taoyuan High-tech Park in Tangwei District. Key industries include electrical and electronic equipment, machinery manufacturing, and metal manufacturing.
Tainan	Liuying High-tech Industrial Park	★ Manufacturing industries predominate, including metals, plastics, textiles, food and electrical devices.
Kaohsiung	Benzhou Industrial Park (Gangshan)	★ Gangshan District, Kaohsiung is an important domestic site for the production of fasteners (screws, nuts etc.). The park solicits environmentally friendly industries that can help traditional fastener manufacturers reduce pollution. Key enterprises involved with resource renewal, clean manufacturing and environmentally friendly critical equipment encourage surrounding manufacturers to implement environmentally friendly upgrades.
Hualien	Fenglin Environmental Science and Technology Park	★ The park is located at the center of the East Rift Valley. Surrounding industrial clusters include Heping, Meilun and Guanghua; research institutions and incubation centers include Tzu Chi University and Dong Hwa University.

Source: Environmental Protection Administration website (<http://estp.epa.gov.tw/big5/knownew.htm>)



## Highly Professional Workforce

### Labor Market

#### ■ A Quality Labor Force That Continues to Improve

Overall, Taiwan's labor market is stable. In 2015, labor force participation and the unemployment rate were 58.65% and 3.78%, respectively. The labor force has shown long-term positive growth, with the number of workers increasing from 10.37 million in 2005 to 11.64 million in 2015. Greater focus on higher education in the last decade has paid off in terms of the percentage of the labor force with at least a college degree. Additionally, authorities have instituted policies to foster practical education, cooperation between academia and industry, and lifelong learning. These factors have led to improvements in the quality of manpower and Taiwan's competitiveness in the global labor market.

More than 300,000 graduating students with college-level degrees or above enter the workforce each year, including over 60,000 graduates with a Ph.D., master's or other advanced degree. Approximately half of the workforce has a higher-education degree and there are 12.9 researchers for every 1,000 employed workers. In addition, Taiwan benefits from technicians and supervisors in the manufacturing and service industries who have accumulated a high degree of skill over years of work. Whether technicians or supervisors are needed, Taiwan can supply excellent human resources to satisfy the needs of foreign investors.

#### Monthly Average Regular Wage by Level in Five Major Foreign-invested Industries in 2015 (Unit: NTD)

	Manufacturing	Electronic Components	Finance and Insurance	Wholesale and Retail Trade	Real Estate	Professional, Scientific and Technical Services
Total	35,084	39,316	65,158	36,859	35,026	48,190
Executives and Supervisors	68,032	81,794	103,999	63,251	50,773	81,827
Professionals	51,942	54,226	64,416	44,905	48,454	57,291
Technicians and Associate Professionals	35,496	36,184	66,913	36,506	33,262	41,399
Clerical Support	29,883	34,754	45,366	30,668	31,738	33,999
Service and Sales	30,503	30,181	51,047	24,783	29,794	28,542
Artisans, Machinery Operators, and Assemblers	28,136	29,303	41,300	30,094	48,972	32,546
Basic Laborers	22,991	25,625	35,399	24,682	19,107	23,755

Source: Ministry of Labor (<http://www.mol.gov.tw/>) occupational category salary survey (July 2014)

## ■ Rising Labor Productivity

Over the past decade, the consumer price index rose an average of 1.0% annually and the average salary for industrial and service workers increased an average of 1.2% annually. While prices and wages have shown long-term stability, labor productivity has increased an average of 3.0% annually and continues to rise.

## ■ Employee Hiring

Over the past decade, the number of professionals increased by 580,000, or 72.34%, a greater jump than any other type of employee. Next was service and sales staff, with an increase of 320,000 people, or 16.91%. Administrative staff and technicians/assistant professionals rose by about 10% each. Analysis suggests that the leading reasons for employee turnover are job content, changing job functions and family factors. Therefore, in order to retain staff, employers not only rely on wage and benefit incentives but also provide a variety of special programs for employees, authorize them to serve key clients and provide opportunities for overseas training.



## Salary Structure

In Taiwanese companies, the average annual salary usually includes the basic fixed monthly wage (including normal pay and monthly allowances and bonuses) and variable pay (including overtime, annual bonus, performance bonuses and attendance bonuses). The average annual bonus is equivalent to 1.5 months' wage and is typically paid before the Lunar New Year.





## Labor Regulations

### ■ Salaries and Working Hours

Taiwan's comprehensive labor rights protection system is primarily based on the Labor Standards Act, the provisions of which stipulate the basic wage, working hours, weekends and holidays, and other basic working conditions.

For persons paid by the month, the minimum monthly wage required by law is NTD 20,008; for persons paid by the hour, the minimum hourly wage is NTD 120. Regular working hours may not exceed eight per day and 40 per week. For extra working hours beyond the regular work period, an employer may extend the work period with the consent of the labor union or approval by a labor-management conference, provided that the work period does not exceed 12 hours in one day. The employer must provide overtime pay in accordance with regulations.

Provisions related to national holidays, maternity leave, sick leave, menstruation leave, personal leave, family leave, leave for pre-natal check-ups, paternity leave, wedding leave, and mourning leave are specified in the Labor Standards Act, the Regulations of Leave-taking of Workers, and the Act of Gender Equality in Employment. Also, workers who have worked continuously for the same employer or unit for specified periods of time are entitled to annual leave, as specified in the following chart:

Years Employed	Annual Leave (Number of Days)
1 year or more but less than 3 years	7 days
3 years or more but less than 5 years	10 days
5 years or more but less than 10 years	14 days
10 years or more	An additional 1 day per year, up to 30 days

Also, the Act of Gender Equality in Employment, which seeks to eliminate gender discrimination and prevent sexual harassment, along with other regulations that promote equality in employment, such as the right to apply for unpaid parental leave and allowances, guarantee the basic rights of workers.

## Insurance and Welfare

### ■ Labor Insurance

Labor insurance coverage consists of ordinary insurance and occupational accident insurance. In 2016, ordinary insurance premiums were 9% of the insured person's monthly insurable salary. The maximum monthly insurable salary was previously set at NTD 43,900, but was raised to NTD 45,800 on May 1, 2016. The minimum is set in accordance with the basic wage. 70% of the premium is borne by the employer, 20% by the insured person and 10% by the government. The employer is required to pay the full premium for occupational accident insurance, calculated at 0.11% to 0.99% of the monthly insurable salary.



## ■ Employment Insurance

In 2016, the employment insurance premium rate was set at 1% of the monthly insurable salary; 70% of the premium is borne by the employer, 20% by the employee and 10% by the government.

## ■ National Health Insurance

National Health Insurance (NHI) is a form of compulsory social insurance. It is a universal system that offers equal care to all subscribers and guarantees medical services to those who are sick, injured, pregnant or facing another medical need. Taiwanese nationals who have established household registration in Taiwan for a period of six months and Taiwanese children born in Taiwan who have completed household registration procedures must be enrolled in NHI.

In addition to Taiwanese nationals, foreign nationals (including people from Hong Kong, Macau and Mainland China) who hold an alien resident certificate (ARC) and who meet the requirements of the National Health Insurance Act and regulations announced by the competent authority must join NHI if they have a regular employer in Taiwan or if they have established a registered domicile in Taiwan for at least six months, in order to guarantee their right to treatment.

## ■ Retirement Pensions

The Labor Pension Act sets out the employer's obligation to provide retirement benefits to the individual labor pension account of each employee, with the rate of contribution by the employer to not be less than 6% of the worker's monthly wage. A retirement plan's portability feature means that it is not affected by career changes, resignation or dismissal. When employees who fell under the old pension system set by the Labor Standards Act before implementation of the Labor Pension Act in 2005 elect to remain in the old system, or switch to the new system but keep their seniority under the old system, their employment unit pays a monthly pension premium equivalent to 2% to 15% of the worker's preretirement monthly wage into its pension reserve fund.

## Employment of Foreign Professionals

Foreign professionals who conduct professional or technical work in Taiwan must be paid an average monthly salary of at least NTD 47,971. To apply for a work permit, they must have a professional license or have obtained a degree of a designated level or higher. Typically, a foreign professional must have at least two years' experience, but the Ministry of Labor has formed a committee mechanism to review individual cases and grant exceptions. A work permit is valid for up to three years at a time and can be extended by the employer.

In order to encourage foreign students who obtain degrees in Taiwan to stay and work in professional or technical positions, such students can apply to receive a work permit through a special merit-based appraisal system (restrictions in the previous paragraph do not apply). The system evaluates eight major criteria: the applicant's academic record, salary, work experience, position, Chinese-language capabilities, and personal experience, along with compliance with government policies. The Ministry of Labor can issue a work permit if the applicant scores at least 70 points and the employer is qualified to hire foreign professionals.

Enterprises that provide a substantial benefit to economic development in Taiwan or have special circumstances can seek approval from the competent labor and industrial authorities for an exemption from paid-in capital or revenue restrictions when hiring foreign workers. The Taiwan representative offices and secretariats of international NGOs are also permitted to hire foreign professionals to work in Taiwan.

To make it easier for innovative start-ups to attract foreign professionals and bring in new expertise, experience and creativity to Taiwan, on January 7, 2015, the Ministry of Labor began allowing qualified companies to hire foreign white-collar workers with a college degree even if those workers did not have two years' related experience. It also eased employer capital requirements by eliminating the need for such start-ups to have revenues of at least NT\$10 million or paid-in capital of at least NT\$5 million.





## Stable Development of Finance and Foreign Exchange

### Financial Organizations

Financial organizations in Taiwan are generally divided into deposit monetary institutions such as domestic banks, branches of foreign or Chinese banks, credit cooperatives, and the credit departments of fishermen's and farmers' associations; the Department of Savings and Remittance of the Chunghwa Post Co.; and life insurance companies.

### Administration of Foreign Exchange

Foreign currency exchange in Taiwan is conducted in accordance with the provisions of the Foreign Exchange Regulation Act and is based on the operation of the free market. Currently, inward and outward remittances of purely foreign-denominated capital that do not involve the conversion of the New Taiwan Dollar are fully free. They can be directly handled by banks, with interest and exchange rates decided by the market. Inward and outward remittances of foreign-denominated capital that do involve the conversion of the New Taiwan Dollar are subject to a few restrictions. Capital flows on products, services, approved direct investments, and securities investments are fully free; short-term capital movement restrictions requiring approval from the Central Bank apply to the conversion of more than USD 50 million cumulatively in one year by a company or firm, and conversion of more than USD 5 million cumulatively in one year by an individual or association. A single-transaction conversion of more than USD 100,000 by a non-resident also requires Central Bank approval.

### How to Open a Bank Account

Foreign Individual	With an ARC	ARC and second form of identification, such as a passport, local driver's license or NHI card, needed.
	Without an ARC	Valid passport with entry visa (or stamp) or Overseas Chinese Identification Certification and Record of ID No. in the ROC are needed.
Foreign Corporation	Registered with the Taiwan government authorities	Application can be made using the company registration certificate along with the minutes of the board of directors meeting, articles of incorporation, or financial statements.
	Not yet registered with the Taiwan government authorities	Certificate of incorporation, ID of responsible person, power of attorney appointing its representative or agent in Taiwan, and the Tax Code notice issued by the local tax authorities are needed.

These restrictions are in place in order to maintain the exchange stability of the New Taiwan Dollar. Foreign exchange transactions with a value equal to or exceeding NTD 500,000 must be declared.

### Status of Financial Markets

At the end of July 2016, Taiwan's foreign exchange reserves were USD 434.1 billion, and in 2015 the savings rate stood at 34.71%. At the end of 2015, capital in the financial industry was NTD 79.8 trillion; in 2015 the output value of Taiwan's financial and insurance industries was NTD 1.09 trillion, equal to 6.56% of GDP. Profits are increasing each year in Taiwan's well-run banking and insurance industries. Income before tax in 2015 in the banking and insurance industries was NTD 371.7 billion and NTD 150.2 billion, respectively, showing that Taiwan's financial markets are becoming more mature.

In 2015, Taiwan had more than 1,586 enterprises listed on stock and OTC markets with a combined market value of approximately NTD 27.2344 trillion. Its securities market transaction amount was NTD 28.3059 trillion and the transaction turnover rate was 74.45%. At the end of 2015, the market value of Taiwan's listed and OTC companies and their transaction amounts accounted for 1.3% and 1.0%, respectively, of the world total, showing the maturity and high transaction volume of Taiwan's securities market. Relative to stock markets in Mainland China and Hong Kong, Taiwan features excellent R&D personnel and strong intellectual property rights protection. Its financial assessments of technology enterprises are both fair and trustworthy.

Taiwan offers stable exchange rates and a mature securities market. In recent years, regulatory revisions that have eased restrictions and simplified administrative procedures for foreign enterprises that seek to raise capital have encouraged more foreign enterprises to list in Taiwan. At the end of 2015, Taiwan had more than 870 enterprises listed on stock markets; approximately 50 of these were foreign companies, accounting for 6% of the total. There were also approximately 700 OTC companies, around 30 of which were foreign companies, accounting for 4% of the total. Foreign companies that listed in Taiwan had a P/E ratio of 24.6, which was much higher than the overall P/E ratio of 13.5. The average turnover rate of 213.9% for foreign companies was also much higher than the overall average of 82.5%. These numbers show that investors are highly receptive to foreign companies and will help those companies raise capital through active trading.

## Financial Openness Measures

Restrictions that prevented foreigners from investing in Taiwan's financial intermediary industry (including banks, credit cooperatives, bills finance firms, credit card issuance companies and financial holding companies) and insurance industry (including life insurance, property insurance and reinsurance) have been lifted. Foreigners are now permitted to own up to 100% of shares in a Taiwan financial institution.

To turn Taiwan into an Asia-Pacific financial planning center that can attract foreigners to engage in financial planning and the purchase of a diverse range of financial products, the government has adopted plans for using offshore banking units, offshore securities units, and offshore insurance units (opened to application in 2015) to develop international financial businesses. By the end of April 2016, 17 securities brokers had been approved to establish OSUs and 18 insurance companies to establish OIUs.

In terms of foreign exchange, in 2015 the Central Bank approved or improved several banking services, including issuing foreign currency negotiable certificates of deposit; simplifying procedures for electronic foreign exchange; and allowing online foreign exchange settlement or transfer for clients who set up a scheduled inward or outward remittance to/from a foreign exchange deposit account for permitted exchange items (ending the need to visit a banking branch). It also began allowing foreign exchange settlement transactions of NTD 500,000 or above to be conducted via fax, and authorized banks that concurrently conduct a trust business to engage in foreign currency denominated collective investment trust account business. At the same time, to satisfy the capital movement needs of insured persons and raise the competitiveness of the insurance industry, the Central Bank continued to ease foreign exchange restrictions on the insurance industry. For example, new rules cancelled capping secured loans at 20% of the policy reserve when an insurer uses its funds for foreign currency loans that use foreign currency investment and non-investment-linked insurance policies as collateral.



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## Vibrant Lifestyle

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Taiwan is a hospitable, fun place to live with wonderful spots to relax and travel. We warmly welcome everyone to visit and enjoy the diverse experiences this island has to offer.

## A Convenient, Comfortable Environment

Taiwan has approximately three-thousandths of the world population and less than three-ten thousandths of the world's land area. Despite these limitations, the whole world recognizes the "Taiwan experience." When you come to Taiwan, besides friendly human interactions you can enjoy a convenient lifestyle, diverse cuisine, and a culture composed of elements from numerous ethnic groups. Whether on a short trip or a long stay, you can blend in naturally with locals and experience diverse entertainment and living options.

## A Culinary Paradise Known Around the World

Taiwanese cuisine is famed throughout the world for its abundance of enticing dishes. From multifarious cooking styles to snacks referred to as "small eats," every dish blends unique qualities. Besides aboriginal-style cuisine, Hakka and southern Fujianese home cooking, and foods from every corner of Mainland China, there are also Japanese, Korean, Indian, Southeast Asian, European and American dishes that together make Taiwan a culinary paradise. You can eat whatever your heart desires. From night market snacks to intimate eateries

and luxury restaurants, there is something to satisfy every palate. The diversity and range of Taiwan's cuisine is sure to exceed your expectations.

## A Convenient Lifestyle, Rich in Variety

Taiwan is home to over 10,000 convenience stores, or an average of one for every 2,000 people. In some areas they are seemingly ubiquitous, particularly in metropolises, where you are usually only a short walk away from one of these 24-hour shops. Often referred to as the height of convenience, the many consumer functions they offer range from the sale of everyday items to bill payments, ticketing and shipment proxy services.

Major metropolises feature shopping zones replete with large shopping centers and chain department stores that offer apparel, premium goods, food, books and cinemas. There are also hypermarkets along with recreational and amusement parks to satisfy all consumer needs. According to the consulting firm ECA International, in 2015 Taipei ranked as the 14th most expensive location in Asia for expatriates. It was considered less expensive than Tokyo, Osaka, Seoul, Beijing, Shanghai, Hong Kong and Singapore, showing that expatriate staff can benefit from a lifestyle that is relatively inexpensive and convenient while still retaining quality and comfort.



## A Friendly Environment that Puts You at Ease

In a 2016 survey conducted by the consulting firm ECA International, Taipei was ranked ninth most livable of 54 Asian cities. It trailed Singapore, Osaka, Nagoya, Tokyo, Yokohama, Seoul and Hong Kong. Taiwan benefits from a comprehensive infrastructure, including modern public transit facilities in major metropolises. Outside of major cities, visitors can experience the simple, rustic nature of life in the village or countryside. No matter where one lives, excellent medical treatment and convenient consumer options are available. Taiwan also has excellent public safety; when walking along major thoroughfares, travelers and shoppers can enjoy themselves without needing to worry about personal safety or their belongings. Whether for travel or living, life in Taiwan puts visitors and immigrants at ease.

## A Seamless Transportation Environment

Transportation in Taiwan is very convenient, with highway and railway networks reaching to every corner of the island. Whether driving or taking public transit, within a period of just a few hours it is possible to reach nearly anywhere you would like to go. At dawn, you could be on a high-elevation mountain peak admiring the sunrise, and by dusk you could have moved onto the seaside to take in the sunset. In the morning, you could be at company headquarters in Taipei for a meeting, and by afternoon you could arrive at the resort town of Kending at the southernmost tip of Taiwan for a relaxing vacation. The round-island railway network, the high-speed rail and a dense highway system combine to make Taiwan a one-day living circle. Whether on business or pleasure, travelers are able to quickly and conveniently reach their destination. Taiwan's comprehensive mass transit network includes buses that travel even to remote mountain settlements and seaside fishing villages. While the quantity of buses that go to these locations will not compare to the frequent service in metropolitan areas, several buses a day to practically all destinations still make travel easy.





## A Unique, Charming Cultural Grace

Taiwan is a beautiful Pacific island that is home to Austronesian indigenous peoples. Aesthetic elements from 16 ethnic tribes are reflected in handicrafts, weaving, music and architecture, while indigenous festivals and ceremonies portray a peaceful coexistence and mutual respect between people and nature. Noted festivals and activities that visitors can participate in or attend include the Amis Harvest Festivals, the Saisiyat Pas-taai, the Yami Flying Fish Festival, the Puyuma Vasivas, and Bunun Mapavkis. In particular, the Bunun eight-part polyphony is a beautiful chorus that has been heard around the world.

In the past, the Spanish, Dutch and Japanese all used Taiwan as a base and subsequently left distinct historic, architectural and culinary heritages behind. Today, Han Chinese customs, festivals, traditional arts, lifestyles and cultures serve as the foundation of Taiwanese culture. Western cultural influences contribute lively modern

artistic performances and activities. The diverse ethnic culture makes Taiwanese society tolerant and open toward different groups while giving it a unique set of creative capabilities.

## An Open, Tolerant Society with Diverse Religious Systems

Taiwan is a religiously diverse land. Besides traditional polytheistic folk beliefs, Taiwanese society is tolerant and respectful of Buddhism, Taoism, Protestantism, Roman Catholicism, Mormonism, Islam and other religions. The ceremonies that are a part of folk belief systems are known for their bustling nature and reflect the passion and optimism inherent in the Taiwanese people. In particular, the “welcoming Mazu” ceremonies, held at the time of the goddess’ birthday, make up the oldest, largest set of religious celebrations in Taiwan.

## Comprehensive Education in Line with International Standards

Taiwan currently has 20 schools specifically geared for expatriates, including 14 American schools, the Taipei European School, three schools for overseas Japanese and two schools for overseas Koreans. Children of expatriates studying at the high school level or below can also apply to bilingual departments (classes) annexed to public schools, foreign programs (classes) of private schools, and other schools approved by the competent authorities to enroll foreign students. Students at the high school level or below who are legal residents of Taiwan can apply to study in their local school district, and students at the college level or above can apply directly to a local college or university. For foreigners who are considering studying Chinese, Taiwan has 45 institutes, colleges and universities that offer relevant education services. The Steering Committee for the Test of Proficiency – Huayu offers the Test of Chinese as a Foreign Language (TOCFL), an excellent program for non-native Chinese language speakers to study and test their proficiency in Chinese



language and culture. The general education system, meanwhile, typically consists of two years of preschool education, six years of elementary school, three years of junior high school and three years of senior high school. College and university education lasts four to seven years, plus there are vocational school programs (including two-year and five-year professional schools, technical schools and tech-based universities) along with master's degree programs lasting one to four years and Ph.D. programs lasting two to seven years. In the school year beginning in 2014, Taiwan began implementation of a new 12-year education program that is affecting the way students are educated from the elementary to high school levels.

## Professional, High-Quality Medical Care

Taiwan's medical technology standards and quality of health care approach the standards of Europe and America. Foreign nationals who hold an ARC are required to enroll in the National Health Insurance program during their time of residence, in accordance with relevant regulations. They can benefit from low-cost, high-quality medical treatment resources.

## Leisurely Journeys Through Taiwan's Natural Environment

Taiwan's varied natural landscape provides plenty of choices for outdoor recreational activities. Those who wish to experience varied landscapes and topographies can visit the lakes and mountains of the Central Mountain Range, the Datun Volcano Group in Taipei, the badlands terrain of Kaohsiung's Moon World, the lagoons and sandbars of the west coast, the Penghu basalt columnar formations, Pingtung's coral formations, Green Island's saltwater hot springs, the East Rift Valley and Taroko Gorge. Those interested in plant and animal ecology can choose from bird watching, butterfly watching and other activities to enjoy the unique botanic and wildlife species Taiwan has to offer.

If your passion lies with urban leisure and entertainment pursuits, besides regular and specialty shopping districts that are favorites of consumers, across the island there are cultural centers, bookstores, movie theaters, museums, cultural parks, exhibition and performance centers, and private performance venues that host a variety of cultural and leisure activities. Different localities also feature sites and activities infused with local characteristics that provide visitors with an opportunity to experience the ways culture varies across the island. Popular festivals provide another novel experience, from the Songjiang Battle Array in Neimen, Kaohsiung, to the boat-burning festival in Donggang, the Yanshui Beehive Rockets Festival during the Lantern Festival, the Pingxi Sky Lantern Festival, the races of the Dragon Boat Festival, and the releasing of water lanterns and Grappling with the Ghosts competition during the Ghost Festival. Whether you are drawn to natural landscapes or cultural settings, the beauty of Taiwan awaits your exploration.





# A Handy Guide to Visas and Residency

## Visas

Various types of visas are available depending on the purpose of the visit and the status of the individual.

- Visitor Visa: A short-term visa that permits stays of up to 180 days.
- Resident Visa: A long-term visa that permits stays of 180 days or more.
- Diplomatic Visa
- Courtesy Visa

Visitor Visa	Foreign nationals who hold ordinary passports or other legal travel documents and who intend to stay in Taiwan for no more than six months for the purposes of transit, tourism, visiting relatives, interviews, undertaking inspections, attending international conferences, conducting business, short-term study, short-term employment, short-term missionary work, or engaging in other activities approved by the Ministry of Foreign Affairs.	<p>★ Stays of up to 14, 30, 60 or 90 days.</p> <p>★ Visitor visa holders who are permitted to stay in Taiwan for 60 days or more and whose visas do not state that "no extension will be granted" may apply at the local service centers of the National Immigration Agency for an extension of visa.</p>
Resident Visa	Foreign nationals who hold ordinary passports and who intend to stay in Taiwan for 180 days or more for the purpose of joining family, studying, employment, investment, missionary work, conducting official duties, participating in international exchange programs, and engaging in other activities approved by the Ministry of Foreign Affairs or other relevant agencies.	<p>★ Resident visa holders must apply for an ARC at the local service centers of the National Immigration Agency within 15 days from the day after arrival in Taiwan or from the day when approval is granted to switch one's original visa to a residence visa for those who apply in Taiwan. The ARC will state the duration of the stay.</p>

Source: Bureau of Consular Affairs, MOFA (<http://www.boca.gov.tw/>); National Immigration Agency, MOI (<http://www.immigration.gov.tw>).





## Visa-Free Entry

Nationals of Malaysia, Singapore, Thailand and Brunei are eligible for stays of up to 30 days under the visa exemption program. Nationals of other countries who are eligible for the visa exemption program are permitted to stay up to 90 days. The duration of stay is not extendable and visa-free entry cannot be converted to other types of visitor or resident visas. British and Canadian passport holders who enter Taiwan visa-free for non-employment or non-residency purposes can apply for an extension of stay in accordance with relevant regulations. The maximum total stay is 180 days.

Europe		
Austria	Andorra	Belgium
Bulgaria	Croatia	Cyprus
Czech Republic	Denmark	Estonia
Finland	France	Germany
Greece	Hungary	Iceland
Ireland	Italy	Latvia
Lithuania	Liechtenstein	Luxembourg
Monaco	Netherlands	Norway
Poland	Portugal	Romania
San Marino	Slovakia	Slovenia
Sweden	Spain	Switzerland
U.K.	Vatican City State	Malta
Asia		
Brunei (pilot program until July 31, 2017)	Japan	Republic of Korea
Malaysia	Singapore	Thailand (pilot program until July 31, 2017)
Israel		
Americas		
Canada	U.S.A.	
Central and South America		
Chile (does not include diplomatic or service passports)		
Oceania		
Australia	New Zealand	

Source: Bureau of Consular Affairs, MOFA (<http://www.boca.gov.tw/>)



## Nationals Eligible for eVisa

An eVisa is an official document issued electronically to qualified foreign nationals who are not eligible for visa-free entry. Applications are completed using convenient “one-stop” online service (submit relevant personal information, pay the required fee by credit card, receive the eVisa after the submitted information is assessed and found to meet relevant criteria).

- Foreign nationals (regardless of nationality) who have been invited to attend international conferences, sports events, trade fairs or other activities in Taiwan organized, co-organized or sponsored by central government agencies or NGOs are also eligible for an eVisa.
- In the initial stage, nationals of 26 countries are eligible for eVisas for the purpose of tourism, business trips or family visit.

Europe		
Macedonia		
Asia		
Kiribati	Marshall Islands	Solomon Islands
Nauru	Palau	Turkey
Tuvalu		
Central and South America		
Belize	Colombia	Dominican
Ecuador	El Salvador	Guatemala
Haiti	Honduras	Nicaragua
Panama	Paraguay	Peru
Saint Christopher and Nevis	Saint Lucia	Saint Vincent and the Grenadines
Africa		
Burkina Faso	Swaziland	Sao Tome and Principe



## Landing Visa

Holders of a Turkish or Macedonian passport and nationals of countries eligible for visa-exempt entry (except US passport holders) who hold an emergency or a temporary passport valid for at least six months are eligible to apply for a landing visa that permits a stay of up to 30 days. A landing visa generally cannot be converted to a visitor or resident visa.

Also, free trade zone enterprises can apply to the administrative agency overseeing the zones for selective landing visas for visiting foreign nationals 10 days prior to their arrival in Taiwan.

## Residency for Foreign Nationals

A foreign national who enters Taiwan using a valid passport with a valid visa, visa-free with a valid passport, or a valid travel document, shall acquire the right to reside after having been inspected by the National Immigration Agency, MOI and allowed to enter the state. He/she shall apply to the agency for an ARC within 15 days after the date of the entry. Where a foreign national who possesses a valid visa for a visit for 60 days or more and such a visa does not contain extension restrictions or other restrictions marked by the visa issuing authority, he/she can conditionally apply to the National Immigration Agency for residence. After the agency approves the application, it shall issue an ARC.

A foreign national who has legally and continuously resided in Taiwan for five years and for more than 183 days each year during that period, or the foreign spouse and/or children of a national with registered permanent residence in the Taiwan Area who has/have legally resided in Taiwan for 10 years, during which period they have actually resided in Taiwan for more than 183 days each year for five years, may conditionally apply to the National Immigration Agency for permanent residence within two years of meeting the residency requirements. Individuals who have made exceptional contributions to Taiwan, senior professional personnel needed by Taiwan, and investors can apply to the National Immigration Agency for permanent residence.

For domestic help, Taiwan has established an excellent labor dispatch system and HR training program. Those foreign nationals meeting the following criteria may apply for one foreign domestic helper:

Item	Requirements
Amount of Foreign Investment	★ GM and above: NTD 100 million or more
	★ Section heads and above: NTD 200 million or more
Last FY's Business Turnover	★ GM and above: NTD 500 million or more
	★ Section heads and above: NTD 1 billion or more
Salaried Income	Managers or above of companies, financial juristic persons, corporate juristic persons or international NGOs:
	★ Last fiscal year's taxable income in Taiwan: NTD 3 million or more
	★ Current fiscal year's monthly income: NTD 250,000 or more
	★ Those with an annual salary of NTD 2 million or more or a monthly salary of NTD 150,000 or more who employed a domestic worker overseas for at least one year can apply to have the same domestic worker come to provide domestic help in Taiwan.

Note: Managers of foreign branches or representatives attached to representative offices are subject to the requirements given above for general managers.

Also, in accordance with the Regulations Governing Speed Clearance of Foreign Businessmen, four types of foreign businesspeople can enjoy speedy immigration clearance at designated immigration inspection booths: those who invest at least NTD 50 million in Taiwan, are assigned to serve as supervisors or general managers of overseas investment firms or international enterprises, are hired to serve as a local supervisor or general manager of a Taiwanese enterprise, or make significant contributions to the Taiwanese economy. To receive this benefit, the businessperson must be recommended by his or her chamber of commerce in Taiwan, approval must be granted by the Ministry of Economic Affairs, and the National Immigration Agency must publish approval on its website. Spouses and immediate family members can receive the same benefit when accompanying the approved businessperson. Approval for speedy immigration clearance is generally valid for one year, starting from the date that the Ministry of Economic Affairs notifies the National Immigration Agency of its approval. A foreigner who has already obtained residence in Taiwan can enjoy this benefit over the period for which his or her residence permit is valid.





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## Optimal Choice

Located at the sea and air transportation hub of the Asia-Pacific, Taiwan serves as an important bridge connecting emerging Asian markets to Europe, the United States and Japan. Its excellent geographic location contributes to its standing as a major Asia-Pacific logistics center.

Taiwan boasts many advantages: a sound legal foundation, comprehensive infrastructure, flexible innovative capabilities and an industrial environment conducive to advanced technological R&D. Its extensive industrial clusters allow international enterprises to commit less time and funding to the integration of global resources.

In response to globalization and the fierce competition it brings, Taiwan is readjusting its industrial structure. As innovation replaces traditional manufacturing, Taiwan is promoting production and manufacturing together with marketing services. It is developing knowledge-intensive enterprises involved in industry, services, and agriculture that can raise profits and build Taiwan's global brand.





Additional changes include deregulation and financial policy reform. Gradually, Taiwan is building a commercial regulatory environment that meets international standards and trends. It is accelerating promotion of regional economic integration and bilateral free trade agreements through initiatives such as the free economic pilot zone plan, in the process demonstrating a commitment to open and innovative economic and industrial strategies.

Among Taiwan's many advantages compared to emerging nations of Asia are a beneficial geographic location, a high-quality work force, complete industrial supply chains, excellent manufacturing technologies, well-developed infrastructure, innovative R&D capabilities, stable financial markets, a sound legal environment and government incentives. At the same time, Taiwan brings together investment opportunities in production, services, creativity, information, logistics, human resources and finance. Its natural landscapes are as abundant as they are splendid, its culture is rich, and its living environment is comfortable and convenient.

As an investment platform, Taiwan is recognized for the excellent resources and wonderful environment it offers. It is an ideal choice for international enterprises seeking to expand into the Asia-Pacific.





# Appendix I Company Establishment

Taiwan has always sought to attract investment from foreign nationals. Along with changes in the domestic development and international trade situations, it has adjusted its laws and regulations. It has eliminated investment barriers to establish an excellent investment climate and to assist foreign investors.

**Investment Laws and Regulations:** Statute for Investment by Foreign Nationals, Statute for Investment by Overseas Chinese

- These two statutes are virtually identical, apart from a few items in which investment is permitted for overseas Chinese but forbidden or restricted for other foreigners

## Definition of Investment

- Holding shares issued by a Taiwanese company or contributing to the capital of a Taiwanese company.
- Establishing a branch office, proprietary business, or partnership in Taiwan.
- Providing loan(s) to an invested business as referred to in the preceding two items for a period of at least one year.

## Kinds of Investment

- Cash.
- Machinery and equipment or raw materials for own use.
- Patent rights, trademark rights, copyrights, technical knowledge, or other intellectual property rights.
- Other property which may be invested under the competent authority's approval (such as credit through reorganizations, mergers and acquisitions, procurement or stock splits).

## Prohibited or Restricted Areas of Investment

- Investment is forbidden in enterprises that may negatively affect national security, public order, good customs and practices, or national health, and those that are prohibited by law.
- Investors who apply to invest in an industry in which investment is restricted by law or by an order given under the applicable law shall obtain approval thereof or consent thereto from the competent authority in charge of the industry in question.
- In line with the previous two paragraphs, the Executive Yuan has adopted the "Negative List for Investment by Foreign Nationals."

## Guarantee of Exchange Settlement

- An investor may apply for exchange settlement against the interest accrued on his/her annual income, or against the profit surplus distributed to him/her from his/her investment.
- An investor transferring his/her shares or withdrawing or decreasing his/her investment may apply for exchange settlement, in a lump sum, of the total amount of his/her investment as approved. The foregoing clause is also applicable to the capital gains realized from the investor's investment.
- An investor's application for exchange settlement against the payment of principal and interest on his/her loan investment shall be governed by the agreed terms and conditions.

## Protection Against Expropriation

- When foreign investment accounts for 45% or more of the total capital amount of an enterprise, the invested enterprise shall not be subject to requisition or expropriation for a period of 20 years after the commencement of business of the invested enterprise as long as the said capital contribution rate of the investor remains unchanged.
- In case the government expropriates or acquires an invested enterprise for national defense reasons, a foreign investor whose investment is less than 45% of the total capital amount of the invested enterprise shall be entitled to a reasonable compensation.

### **Investment Incentives**

- The provisions of the Company Law requiring issuance of stock certificates to the public, and the provisions of the same law requiring setting aside a certain percentage of new shares (issued as a result of capital increase by cash) to be purchased by the employees of the invested enterprise do not apply to an investor's investment if such investment accounts for 45% or more of the total capital of the enterprise in which he/she invests.
- Where an invested enterprise is organized as a company under the Company Law, an investor thereof who serves as a supervisor may be exempt from the restrictions on his/her domicile in Taiwan.

### **Protection of Rights**

- Except as otherwise provided for in other laws, an enterprise in which the investor has invested shall be accorded the same rights and obligations to which an enterprise operated by local nationals is entitled.

## **Investment Application Procedures**

### **Establishing a Company (Business Enterprise)**

#### **Checking the Company (Business Enterprise) Name**

- Investors should first select a Chinese name for the company (business enterprise) that they will be setting up in Taiwan. The company that they set up must then file an application for pre-review of the company name and business scope as well as to retain the company name during the pre-review period with the Department of Commerce, MOEA. If the investors are setting up a business enterprise (proprietary business or partnership), they must file this application to the local county or city government to which the business enterprise being set up belongs.

#### **Permission for Investment**

- An investor is required to submit the Investment Application Form and relevant documents to the Investment Commission, MOEA (address: 8F, No. 7, Sec. 1, Roosevelt Rd., Taipei; telephone: 02-3343-5700). If the invested company is located in an export processing zone or a science park, then the investor should apply directly to the administrative agency in charge of that zone or park.

#### **Official Approval of the Invested Amount**

- After the investment is approved, the investor is required to take the letter of approval to a bank and apply for the inward remittance of funds, and then apply to the administrative agency in charge of permission for investment as mentioned in the previous paragraph to process the evaluation and approval of the invested amount.

### **Registration of the Company (Business Enterprise)**

- If the company being established involves an investment of NTD 500 million or higher, the investor should apply to the Department of Commerce, MOEA, for the registration of his/her company. If less than NTD 500 million is involved, the investor should apply to the local municipality government or the Central Region Office, MOEA (for Taiwan Province), depending on location. If the company being set up is located in an export processing zone, a science park or a free trade zone, the investor should apply directly to the administrative agency in charge of that zone or park.
- An investor setting up a business enterprise must apply for registration with the local county or city government.
- Taiwan has cancelled the minimum investment limit for company registration. Apart from some select industries, a company can be established as long as the investment is sufficient to cover reasonable expected costs.



### **Business Registration**

- An investor must apply to the tax collection authority of the company's locality to register his/her business.

### **Export/Import Business Registration**

- The operator of an export/import business must apply first to the Bureau of Foreign Trade, MOEA, for an advance check of its English name, and then apply to that Bureau for registration as an export/import business.

### **Factory Registration**

- A company that is engaged in the manufacturing or processing of goods must apply for a factory registration with the local county or city government where it is situated. If the factory is located in an export processing zone, science park, or agricultural biotechnology park, the company should apply for registration with the administrative agency in charge of that zone or park.

### **Application for Businesses Requiring Special Permission**

- Before operating a business requiring special permission, and before the company (business enterprise) is set up and registered, the investor is first required to obtain permission from the competent authorities to set up and equip the intended business.
- After completing the establishment and registration of the company (business enterprise), the investor should obtain a permit from the competent authority for the intended business. Only then may the business go into operation as a specially permitted business.

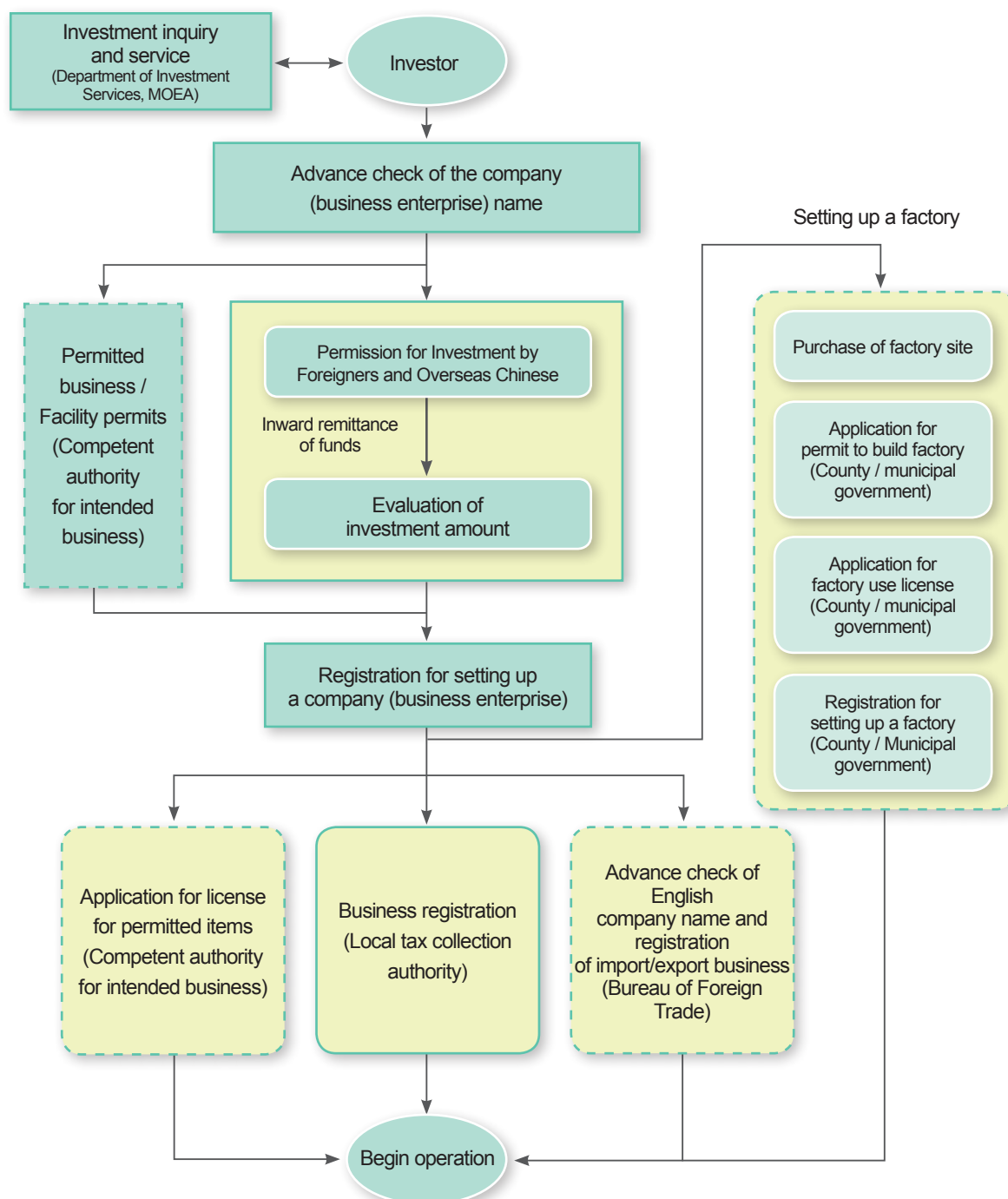
### **Establishing a Branch Company**

- The foreign investor should first apply to the Department of Commerce, MOEA, for an advance check of the Chinese name of his/her company and its field of business, and for retention of that company name.
- He/she should then apply to the Department of Commerce, MOEA, for “Recognition of Foreign Company,” evaluation of investment amount, and registration as a “Branch of Foreign Company.” If the site of investment is in an export processing zone, science park, agricultural biotechnology park or free trade zone, after receiving notice of recognition of foreign company from the Department of Commerce, MOEA, the investor should apply for registration as a branch company with the administrative agency in charge of that zone or park.
- The application procedures for business registration, registration as an exporter/importer, factory registration, or specially permitted business are the same for a branch company as for setting up an ordinary company.

### **Establishing a Representative Office**

- The foreign investor should first file an Application for Reporting Designated Representative for Handling Legal Matters in the ROC with the Department of Commerce, MOEA, and obtain its letter of approval.
- The investor should then apply to the local tax collection authority for a taxpayer code number.

Flow Chart for Applying to Set up a Company (Business Enterprise)







Note: Solid lines and boxes indicate required procedures for all applications, dotted lines and boxes indicate procedures that are required in certain instances, depending on the nature of the business.




# Appendix II Offices for Investment Services

Unit	Services	Contact
Department of Investment Services, MOEA	Acts as the primary service window for consultation services and assistance with investment for foreign and Mainland Chinese investors.	Address: 8 Fl., No. 71, Guanqian Rd., Zhongzheng District, Taipei Tel.: 886-2-2389-2111 Fax: 886-2-2382-0497 E-mail: <a href="mailto:dois@moea.gov.tw">dois@moea.gov.tw</a> <a href="http://www.dois.moea.gov.tw">http://www.dois.moea.gov.tw</a> <a href="http://investtaiwan.nat.gov.tw">http://investtaiwan.nat.gov.tw</a> 
InvesTaiwan Service Center	Provides overseas and local investors with start-to-finish service for investing in Taiwan.	Address: 8 Fl., No. 1, Xiangyang Rd., Zhongzheng District, Taipei Tel: 886-2-2311-2031 Fax: 886-2-2311-1949 E-mail: <a href="mailto:service@invest.org.tw">service@invest.org.tw</a> <a href="http://investtaiwan.org.tw/">http://investtaiwan.org.tw/</a> 
Investment Commission, MOEA	Handles regulatory, review and application procedures for foreign and Mainland Chinese investors in Taiwan.	Address: 8 Fl., No. 7, Roosevelt Rd. Section 1, Zhongzheng District, Taipei Tel.: 886-2-3343-5700 Fax: 886-2-3343-9505 E-mail: <a href="mailto:serve@moeaic.gov.tw">serve@moeaic.gov.tw</a> <a href="http://www.moeaic.gov.tw/">http://www.moeaic.gov.tw/</a> 
Department of Commerce, MOEA	Handles inquiries concerning the Company Act and other regulations as well as explanations of company registration applications and other commercial administrative affairs.	Address: No. 15, Fuzhou St., Zhongzheng District, Taipei Tel.: 886-2-2321-2200, ext. 391 886-2-412-1166 0800-231-314 <a href="http://gcis.nat.gov.tw/">http://gcis.nat.gov.tw/</a> 
Export Processing Zones	Zone services, regulatory information, investment information, etc.	Export Processing Zone Administration (including the Kaohsiung Software Park) Address: No. 600, Jiachang Rd., Nanzi District, Kaohsiung Tel.: 886-7-361-2725 Fax: 886-7-361-2751 Email: <a href="mailto:wusf@epza.gov.tw">wusf@epza.gov.tw</a> <a href="http://www.epza.gov.tw">http://www.epza.gov.tw</a> 
		Taichung Branch (including the Taichung Software Park) Address: No. 1, Jianguo Rd., Tanzi District, Taichung Tel.: 886-4-2532-2113 Fax: 886-4-2532-2200
		Chungkang Branch Address: No. 6, Daguan Rd., Caonan Village, Wuqi District, Taichung Tel.: 886-4-2658-1215~9 Fax: 886-4-2657-0103
		Kaohsiung Branch Address: No. 2, Central 1st Rd., Kaohsiung Export Processing Zone, Qianzhen District, Kaohsiung Tel.: 886-7-821-7141 Fax: 886-7-831-0897
		Pingtung Branch Address: No. 1, Pingjia Rd., Qianjin Village, Pingtung City, Pingtung County Tel.: 886-8-751-8212 Fax: 886-8-751-8193
Science Parks	Zone services, regulatory information, investment information, etc.	Hsinchu Science Park Administration, Ministry of Science and Technology Address: No. 2, Hsin-Ann Rd., Hsinchu City Tel.: 886-3-577-3311 Fax: 886-3-577-6222 <a href="http://www.sipa.gov.tw">http://www.sipa.gov.tw</a> 
		Central Taiwan Science Park Administration, Ministry of Science and Technology Address: No. 2, Zhongke Rd., Xitun District, Taichung Tel.: 886-4-2565-8588 Fax: 886-4-2565-8288 <a href="http://www.ctsp.gov.tw/">http://www.ctsp.gov.tw/</a> 
		Southern Taiwan Science Park Administration, Ministry of Science and Technology Address: No. 22, Nanke 3 <sup>rd</sup> Rd., Xinshi District, Tainan Tel.: 886-6-505-1001 Fax: 886-6-505-0470 <a href="http://www.stsp.gov.tw">http:// www.stsp.gov.tw</a> 

Unit	Services	Contact
Agricultural Technology Parks	Zone services, regulatory information, investment information, etc.	Pingtung Agricultural Biotechnology Park Address: No. 1, Shennong Rd., Dehe Village, Changzhi Township, Pingtung County Tel.: 886-8-762-2999 Fax: 886-8-774-1035 <a href="http://www.pabp.gov.tw">http://www.pabp.gov.tw</a> 
		Taiwan Orchid Plantation Address: No. 325, Wushulin, Wushu Village, Houbi District, Tainan Tel.: 886-6-684-0788 Fax: 886-6-684-0787 <a href="http://top.tainan.gov.tw/">http://top.tainan.gov.tw/</a> 
Environmental Science and Technology Parks	Zone services, regulatory information, investment information, etc.	Taoyuan Environmental Science and Technology Park Address: No. 331, Huanke Rd., Datan Village, Guanyin District, Taoyuan Joint Service Center: 886-3-473-0214, ext. 31 Fax: 886-3-336-6591 <a href="http://www.tyht.nat.gov.tw/c/index.aspx">http://www.tyht.nat.gov.tw/c/index.aspx</a> 
		Liuying Technology and Environment Industrial Park Address: No. 7, Gongyi Rd., Danong Village, Liuying District, Tainan Tel.: 886-6-623-2345 Fax: 886-6-623-4005 <a href="http://www.lytp.org.tw">http://www.lytp.org.tw</a> 
		Kaohsiung Environmental Science and Technology Park Address: No. 2, Siwei 3 <sup>rd</sup> Rd., Lingya District, Kaohsiung Tel.: 886-7-336-8333, ext. 2162 <a href="http://twup.org/ksbc/">http://twup.org/ksbc/</a> 
		Hualien Environmental Science and Technology Park Address: No. 1, Zhongke Rd., Changqiao Village, Fenglin Township, Hualien County Tel.: 886-3-875-2662 Fax: 886-3-875-2661
Free Trade Zones	Park service, related laws and regulations, investment information	Free Trade Zone Info Address: No. 10, Penglai Rd., Gushan District, Kaohsiung Tel.: 886-7-521-9000 ext.670 <a href="http://taiwan-ftz.com/">http://taiwan-ftz.com/</a> 
		Taoyuan Free Trade Zone Address: No. 101, Hangxiang Rd., Dayuan District, Taoyuan Tel.: 886-3-399-2888 <a href="http://www.farglory-holding.com.tw/ftz.web/index.jsp">http://www.farglory-holding.com.tw/ftz.web/index.jsp</a> 
Local Business Promotion Organizations – Industrial Development & Investment Promotion Committees (IDIPCs)	Every city and county in Taiwan has an IDIPC, which serves to promote investment and provide services for investors. Investors should contact the local IDIPC for assistance when making an investment in a given locale or when they encounter difficulty.	<a href="http://investtaiwan.nat.gov.tw/cht/show.jsp?ID=429&amp;MID=8">http://investtaiwan.nat.gov.tw/cht/show.jsp?ID=429&amp;MID=8</a> 
Overseas Business Promotion Organizations – Overseas units of the Ministry of Economic Affairs and the Taiwan External Trade Development Council (TAITRA)	The Ministry of Economic Affairs and TAITRA have established overseas offices in the world's leading nations and regions. These provide easily accessible consultation services for those coming to invest in Taiwan; they also assist Taiwanese businesses with investments in overseas areas.	<a href="http://www.trade.gov.tw">http://www.trade.gov.tw</a> <a href="http://www.taitra.org.tw">http://www.taitra.org.tw</a>  



A large photograph of a dolphin leaping from the ocean. The dolphin is dark grey and is captured mid-air, with water splashing around its tail. The sky is a clear, vibrant blue, and two white seagulls are visible in flight. The ocean is a deep blue with some white foam from the dolphin's leap.

With a vast ocean to the east and Mainland China to the west, Taiwan casts an enchanting, glimmering light from the East Asian island arc.

Taiwan's charm is contained in its rich natural scenery, concealed under the surface of urban life, and portrayed in cityscapes that blend the traditional and modern, technology and culture.

Superior geographic location, sound business environment, strong industrial clusters, comprehensive infrastructure, excellent labor force, diverse culture of innovation – vibrant and diverse Taiwan is the best springboard for global enterprises seeking to make inroads into Asian markets.

It is the leading choice for advancing into the Chinese market, and your most reliable partner on the world stage.

***Expansion into the Asia-Pacific region, with your sights set on the world, starts from Taiwan!***





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