


## Content

Title :	Statute for Adjustment Support in Response to Trade Liberalization 
Date :	2015.12.30
Legislative :	1.The Statute, which consists of 18 articles, was enacted and promulgated pursuant to a Presidential Decree dated Dec 30, 2015 (Ref. No.: Hua-Zong-1-Yi-Zi No.10400152821) and took effect on the same date.
Content :	<p><b>Article 1</b></p> <p>This Statute is enacted for the adoption of adjustment support for industries, enterprises and workers in response to the trends of trade liberalization so as to strengthen their competitiveness and reduce or eliminate the impact of economic and trade treaties or agreements signed with other countries. When imported agricultural products or processed agricultural products are likely to damage or have damaged domestic agriculture, priority shall be given to the adjustment support under Article 52 of the Agricultural Development Act.</p> <p><b>Article 2</b></p> <p>Terms to this Statute shall be defined as follows:</p> <ol style="list-style-type: none"><li>1. "Industry" refers to agricultural industry, industry, service industry and other industries.</li><li>2. "Enterprise" refers to a sole proprietorship, partnership, limited partnership or company that is registered in accordance with the law.</li><li>3. "Worker" refers to a person who is hired by an employer to work for wages.</li><li>4. "Trade liberalization" refers to the opening of market access, trade facilitation, harmonization of laws, and other measures for lowering or eliminating trade or investment restrictions implemented for the purpose of fulfilling the obligations under economic and trade treaties or agreements with other countries.</li><li>5. "Opening of market access" refers to the lowering or elimination of entry barriers on customs duties, service industry, or professional manpower for the purpose of fulfilling the obligations under economic and trade treaties or agreements with other countries.</li></ol> <p><b>Article 3</b></p> <p>The competent authority under this Statute is the Ministry of Economic Affairs. Matters under this Statute that are within the purview of other central competent authorities shall be handled by such other authorities.</p> <p><b>Article 4</b></p> <p>In response to the trend of trade liberalization, each central competent authority shall provide appropriate adjustment support in the following respects:</p> <ol style="list-style-type: none"><li>1. Assisting enterprises in obtaining comprehensive information on incentives for trade liberalization;</li><li>2. Assisting enterprises in revitalizing or reengineering their operations;</li><li>3. Assisting enterprises in effectively exploiting the opening of market access, trade facilitation, harmonization of laws and other incentives for trade liberalization;</li></ol>

4. Assisting enterprises in developing overseas target markets;
5. Improving the infrastructures of industries;
6. Assisting industries in nurturing talents and passing down traditional skills;
7. Working with local governments to nurture development of industries and clusters with unique local features; and
8. Other efforts promoting the competitiveness of industries.

#### Article 5

Each central competent authority in charge of the relevant industry may use its appropriated budget, scientific technology development funds or infrastructure funds to subsidize or purchase software and hardware facilities for research and development, inspection and testing, pilot production and mass production for the common use of the industry.

Software and hardware facilities purchased with infrastructure funds under the preceding paragraph shall meet a certain threshold in scale, and fees for their use shall be collected and used for their maintenance.

The competent authority after consultation with other relevant authorities shall establish regulations for determining the scope and scale threshold for the software and hardware facilities under the preceding paragraph, the criteria for collecting user fees, the operation and maintenance of such software and hardware, and other related matters.

#### Article 6

Each central competent authority in charge of the relevant industry shall establish mechanisms for monitoring the competitiveness of the industries under their supervision so as to stay informed of the industries' preparations in response to the trend of trade liberalization and the impact thereof.

#### Article 7

Each central competent authority in charge of the relevant industry may, based on the findings of the monitoring efforts under the preceding article, identify and designate the industries that are likely to be impacted by the opening of market access and need guidance, or have been impacted and need enhanced guidance, and provide them with appropriate adjustment support.

The designation of industries pursuant to the preceding paragraph shall be reviewed at least once every three years.

The central competent authorities in charge of the relevant industries shall establish the criteria for designating the industries under paragraph 1, the relevant adjustment support, and other related matters.

#### Article 8

Each central competent authority in charge of the relevant industry shall provide consultation services to assist enterprises in reducing or eliminating the impact of economic and trade treaties or agreements with other countries.

#### Article 9

Where small-and-medium enterprises offering products or services identical to or directly competing against products or services that enjoy the opening of market access suffer impact to a certain degree, beginning from six months after the obligation to open the market access becomes effective to the fifth anniversary of the date of completely fulfilling the undertakings under such treaties or agreements, such enterprises may submit supporting documentation to apply for being determined as damaged enterprises.

All the applications filed under the preceding paragraph shall be handled by the competent authority. Where the application content concerns the power of other central competent authorities in charge of the relevant industry, determination shall be subject to the decision of all such other central authorities and the competent authority.

Where an enterprise is determined as a damaged enterprise, each central competent authority in charge of the relevant industry shall assist the enterprise in formulating a recovery plan and help it change its core business, transition to another industry, or cease its operations. Where an enterprise's

recovery plan is approved, each central competent authority in charge of the relevant industry may provide it with certain subsidy to facilitate the implementation of the plan.

The competent authority after consultation with other relevant authorities shall establish regulations governing the eligibility for filing the application for being determined as a damaged enterprise, required documents, application procedure, criteria for determining the extent of the impact, criteria for reviewing recovery plans under the preceding paragraph, maximum amount of the subsidy, and other related matters.

#### Article 10

Each central competent authority in charge of the relevant industry may provide or assist the damaged enterprises in obtaining priority status with other competent authorities in receiving guidance or low-interest loans other than those set forth in paragraph 3 of the preceding article.

#### Article 11

During the implementation of their recovery plans, the damaged enterprises shall accept the visits and follow-up inquiries by the central competent authority in charge of the relevant industry or any agencies (organizations) commissioned by such authority, and shall submit regular progress reports as required by the central competent authority in charge of the relevant industry.

If a damaged enterprise is found to have received subsidy from the central competent authority in charge of the relevant industry by providing false information, the central competent authority may cancel such subsidy and recover the amount of the subsidy from the enterprise.

If a damaged enterprise, without any legitimate reason, refuses to accept a visit or a follow-up inquiry, or fails to regularly submit a progress report under paragraph 1, the central competent authority in charge of the relevant industry may notify the enterprise to make corrections and in the event of a material violation, revoke the subsidy and demand a refund of all or part of the subsidized amount.

#### Article 12

The Ministry of Labor shall provide appropriate adjustment support to workers belonging to the designated industries needing guidance or enhanced guidance under Article 7 or those belonging to the damaged enterprises as determined under Article 9.

Workers belonging to an enterprise offering products or services identical to or directly competing against products or services that enjoy the opening of market access which has not been determined as a damaged enterprise may, within the time limit set forth under paragraph 1, Article 9, submit supporting documents to apply with the Ministry of Labor to be determined as damaged workers and be eligible to receive the adjustment support under the preceding paragraph.

The Ministry of Labor shall establish regulations governing the adjustment support under paragraph 1, eligibility to apply for being determined as damaged workers under the preceding paragraph, required documents, application procedure, determination criteria, and other related matters.

#### Article 13

In processing the application for being determined as damaged enterprises or damaged workers under Article 9 or Article 12, the competent authority or the central competent authority in charge of the relevant industry may ask for information or other necessary assistance from related authorities, institutions, enterprises, or organizations.

The competent authority after consultation with other relevant authorities shall establish regulations governing the scope of the information and the types of the assistance under the preceding paragraph and other related matters.

#### Article 14

To assist industries, enterprises, and workers in responding to the trend of trade liberalization, each central competent authority in charge of the relevant industry shall appropriate budget to finance the relevant adjustment support, and the Executive Yuan shall establish an adjustment support fund in response to the trend of trade liberalization.

Sources of the fund under the preceding paragraph shall be the followings:

1. Appropriations from the central government's annual budget;
2. Appropriations from other special funds;
3. Donations from state-owned or private enterprises, or individuals;
4. Interest accrued on the fund; and
5. Other related income.

The fund under paragraph 1 shall be used for the following purposes:

1. Assist each central competent authority in charge of the relevant industry in financing the adjustment support and in promoting industrial and enterprise development projects in accordance with this Statute in response to the trend of trade liberation;
2. Subsidize damaged enterprises and provide subsidies for interest on related loans; and
3. Otherwise as approved by the Executive Yuan.

The amount of the donations under paragraph 2(3), once verified by the competent authority, may be deducted from the total taxable income of the current year in accordance with the Income Tax Act.

#### Article 15

The Executive Yuan shall invite related authorities, scholars, experts, and representatives of civil groups such as industry associations or labor unions to provide consultation and assistance to promote matters related to trade liberalization.

#### Article 16

The competent authority may establish, or assist private sectors in establishing, a one-stop window to provide the following services:

1. Promote, explain and provide consultation on this Statute and other guidance policies and measures in response to the trend of trade liberalization;
2. Accept applications and assist enterprises and workers in applying for determination as damaged and drafting recovery plans, and handle other related matters;
3. Promote and assist enterprises in effectively applying for incentives under economic and trade treaties or agreements;
4. Regularly report to the competent authority the effects of implementing relevant adjustment support;
5. Assist the competent authority in surveying industry and market situations; and
6. Carry out other related matters as commissioned by the competent authority or the central

competent authorities in charge of the relevant industry.

Article 17

The enforcement rules of this Statute shall be prescribed by the competent authority.

Article 18

This Statute shall come into force from the date of its promulgation.

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Data Source : Ministry of Economic Affairs R.O.C.(Taiwan) Laws and Regulations Retrieving System