Content

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Content：	Chapter I General Provisions Article 1 The Enforcement Rules are prescribed in accordance with Article 102 of the Customs Act (hereinafter referred to as "the Act "). Article 2 Upon amendment of the Act or the Customs Import Tariff, the application of the provisions of the Act or the tariffs shall be governed by the following: 1. For imported goods, the amendment thereto shall apply from the arrival date of the means of transportation. However, the provisions of the Act or the Customs Import Tariff shall apply from the date of application for release of such goods from a bonded warehouse for import, provided that the goods were originally stored in the bonded warehouse under Article 58 of the Act; or from the date of declaration for import thereof if the goods are approved for release from a bounded factory in accordance with Article 59, Paragraph 2, of the Act; or from the date of application for release of such goods from a logistics center for import if the goods were stored in the logistics center under Article 60 of the Act . 2. For exported goods, the amendment thereto shall apply from the date of their release from Customs. Article 3 The terms "consignee", "the bearer of the bill of lading", and "the holder

of the imported goods" referred to in Article 6 of the Act shall be defined as following:
1. The term "consignee" shall be interpreted as the consignee indicated on the bill of lading or the import manifest.
2. The term "the bearer of the bill of lading" shall be interpreted as the person who is in possession of the bill of lading resulting from his acceptance of the assignment of the goods indicated on the bill of lading from a consignee, or who is entrusted by a consignee or assignee of the goods to file an import declaration with Customs in his own name.
3. The term "the holder of imported goods" shall be interpreted as the person who is in possession of the imported goods on which import duties are leviable but not paid, such as the holder or assignee of imported goods referred to in Article 55, Paragraph 1 and Paragraph 3, of the Act.

Article 4

The "finally determined" set forth in Article 9 of the Act shall refer to any of the following situations:
1. In the case where a determination of Customs duty or an administrative decision has been made by Customs, the duty-payer or the person subject to the administrative decision fails to apply for a review in accordance with the Act.
2. In the case where a review decision has been made, the duty-payer or the person subject to the administrative decision fails to file an administrative appeal in accordance with relevant laws.
3. In the case where a decision on administrative appeal has been made, the duty-payer or the person subject to the administrative decision fails to initiate administrative litigation in accordance with relevant laws.
4. In the case where a judgment on administrative proceedings has been declared final and irrevocable.

Article 5

The “articles prohibited by law from importation” referred to in Article 15, Paragraph 3, the Act refers to the goods banned or prohibited from importation by relevant laws.

Chapter Ⅱ Procedures Governing Customs Clearance

Section 1 Declaration and Examination

Article 6

The term " the arrival date of the transportation means " referred to in Article 2, Subparagraph 1,of the Enforcement Rules and Article 16, Paragraph 1 and Article 62, Paragraph 1, of the Act shall refer to:
1. For sea cargo, the date on which the vessel arrives at the port of entry and files the import manifest with Customs;
2. For air cargo, the date on which the plane arrives at the airport and files the import manifest with Customs;
3. For mailed goods, the date on which the post office mails a parcel claim notice or affixes a postage stamp to the parcel delivery order; or
4. For transshipment goods, the date on which the means of transportation carrying the imported goods first arrives at the port of discharge and files the import manifest with Customs.

Article 7

The term "relevant documents required for importation " referred to in Article 17, Paragraph 1, of the Act shall denote the following documents:

1. The import permit and the certificate of origin which must be submitted for examination in accordance with relevant laws and regulations.
2. The catalog, instruction manual, leaflet or drawings which must be required for Customs examination and valuation.
3. Relevant certificates required by competent authorities for Customs examination on behalf of the competent authorities.
4. Other certificates required by Customs.
Imported goods which are in bulk or in large quantity or uniform packing may be exempted from submitting a packing list pursuant to Article 17, Paragraph 1, of the Act.

Article 8

The amount of an appropriate deposit referred to in Article 18, Paragraph 2, of the Act shall be either the amount equivalent to the Customs duty payable on the imported goods as calculated under the applicable tariff number or the value tentatively assessed by Customs.
The amount of an appropriate deposit referred to in Article 18, Paragraph 3, of the Act shall be calculated in accordance with the following provisions:
1. Where the duty-payer fails to submit the relevant certificates for deduction or exemption from Customs duty in time but will submit those follow-up, it shall be the full amount of Customs duty payable.
2. Where the imported goods fall under the scope of import-permissible items, and the duty-payer fails to apply for issuance of an import permit in time and it is necessary for him/her to apply for clearance and prompt delivery, it shall be the amount equivalent to the Customs value thereof assessed by Customs.
3. Where Customs considers it necessary to examine and release imported goods in advance against the payment of a deposit, it shall be the amount determined by Customs.

Article 9

Where the deposit paid by a duty-payer in accordance with Article 18, Paragraph 3, of the Act is confiscated owing to his/her failure to complete Customs formalities within a prescribed period, Customs may conclude the case without duty-payers' completing Customs formalities.

Article 10

Customs designates the time and place for unloading of imported goods and issues a general discharge permit under Article 24 of the Act. The time of unloading shall be confined within the office hours of Customs. In case of the imported goods to be unloaded out of the office hours, a special permit may be issued upon request.

Section 2 Customs Value

Article 11

The term "the price actually paid or payable for imported goods sold from an exporting country to the Republic of China" in Article 29, Paragraph 2, of the Act shall not include the following expenses, Customs duties, and other taxes, provided that they are distinguished from the price actually paid or payable for the imported goods:
1. Expenses for construction, erection, assembly, maintenance or technical assistance undertaken after importation of imported goods such as industrial plants, machinery and equipment.

2. The cost of transport after importation.
3. The deferred interest on a transaction with deferred payment terms.
4. Customs duties and taxes on imported goods.
Except for expenses specified in Article 29, Paragraph 3, of the Act, expenses paid by the buyer for his own benefit shall not be considered as a payment to the seller, even though they might be regarded as being benefit to the seller.

Article 12

The term "commissions" referred to in Article 29, Paragraph 3, Subparagraph 1, of the Act shall not include fees paid by the buyer to his agent for purchase of the imported goods abroad.The term "royalties and license fees" referred to in Article 29，Paragraph 3, Subparagraph 3, of the Act shall denote the payment to acquire the patent, the rights of trademark, copyright, or other intellectual property rights protected by legislation related to the imported goods, excluding charges for the right to reproduce imported goods in the R.O.C.

Article 13

In cases where Customs still has reasonable doubts about the truth and accuracy of the account books and vouchers provided by the duty-payer under Article 29, Paragraph 5, of the Act, Customs shall inform the duty-payer of the reasons for its doubts, and shall provide a reasonable opportunity for the duty-payer to respond. The duty-payer, in addition, may request Customs to provide a written explanation of its doubts.
After determining the Customs value, Customs shall forward to the duty-payer the final decision and reasons in writing along with the duty memo.

Article 14

If the buyers and sellers are deemed to be related under Article 30 of the Act, Customs, if having doubts about the transaction value, shall investigate the circumstances of the transaction; if necessary, Customs may require the duty-payer to provide more detailed information.
In case Customs, pursuant to information discovered by itself or provided by the duty-payer, consider that the relationship of the seller and the buyer affects the transaction value, it shall explain the reasons to the duty-payer and provide the duty-payer with a reasonable opportunity to respond. The duty-payer may request Customs to explain his/her reasons in written form.
In case the transaction value referred to in the preceding paragraph is close to one of the following values, it shall be deemed that the relationship has no effect on the transaction value:
1. The transaction value of identical or similar goods determined by Customs where the buyer and the seller are unrelated.
2. The deductive value of identical or similar goods determined by Customs.
3. The computed value of identical or similar goods determined by Customs.
The identical or similar goods referred to in Subparagraph 1 and 3 of the preceding paragraph shall be limited to imported goods which are exported from the exporting country on the date of exportation or within 30 days before or after the date of exportation of the goods being valued. The identical or similar goods referred to in Subparagraph 2 shall be limited to goods which are imported on the date of importation or within 30 days

before or after the date of importation of the goods being valued.

Article 15

Where there are two or more transaction values available with respect to identical goods as referred to in Article 31, Paragraph 1, of the Act, the applicable transaction value shall be determined in accordance with the following order of precedence:

1. The transaction value of identical goods produced by the same manufacturer shall be given precedence in application over the transaction value of identical goods produced by other manufacturers.
2. The transaction value of identical goods at the same commercial level and in substantially the same quantity as the goods being valued shall be given precedence in application.
3. Where there are two or more transaction values of identical goods available, the lowest value shall be given precedence in application.

The provisions of the preceding paragraph shall apply mutatis mutandis to the transaction value of the similar goods as referred to in Article 32, Paragraphy1, of the Act.

Article 16

The expression "exported at or about the same time"referred to in Article 31, Paragraph 1, and Article 32, Paragraph 1, of the Act shall mean within 30 days before or after the date of exportation.

The expression "at or about the time of the importation" pursuant to Article 33, Paragraph 3 and Paragraph 4, of the Act shall mean within 30 days before or after the date of importation.

Article 17

The term "deductive value" referred in to Article 33, Paragraph 3, of the Act shall not include circumstances as specified in Article 29, Paragraph 3, Subparagraph 2, of the Act between the buyer of the greatest aggregate quantity of the first commercial level of the imported goods and the foreign producer or seller of the imported goods.

The profit, general expenses and commissions usually paid or agreed to be paid referred to in Article 33, Paragraph 3, Subparagraph 1, of the Act shall be verified on the basis of the generally accepted accounting principles of the Republic of China.

Article 18

The term "costs and expenses" referred to in Article 34, Paragraph 2, Subparagraph 1, of the Act shall be verified based on the records provided by the manufacturer of the imported goods in connection with the production of the imported goods, provided that such records are in accordance with the generally accepted accounting principles in the country of production. Customs may request the importers to provide the manufacturer’s accounting books, vouchers and other records related to the production of imported goods when determining the Customs value pursuant to Article 34 of the Act. In cases where the manufacturer do not have residence or domicile within R.O.C, Customs shall acquire the consent of the manufacturer before proceeding pursuant to the preceding paragraph. Customs may, upon consent of the manufacturer and without the opposition of the investigated country, undertake investigation.

Article 19

The term "reasonable means" referred to in Article 35, of the Act shall

denote the valuation methods consistent with the valuation principles specified in Article 29 through 34 of the Act.
While Customs determines the Customs value pursuant to the reasonable means prescribed in Article 35 of the Act, the following valuation methods or values shall not be adopted:
1. The domestic sale price of the goods manufactured in the R.O.C.
2. A system which provides for the acceptance for Customs purposes of the higher of two alternative values.
3. The price of the goods on the domestic market of exporting countries.
4. The cost of production other than computed values which have been determined for identical or similar goods in accordance with the provisions of Article 34 of the Act.
5. The price of the goods for export to a country other than R.O.C.
6. The minimum Customs values determined by Customs.
7. Arbitrary or fictitious values.

Article 20

With regard to the imported goods subject to Customs duty as specified in Article 37, Paragraph 1, Subparagraph 1, of the Act, the cost of repair or assembly shall be taken as the basis for the calculation of Customs value to assess Customs duty. However, if the goods are shipped abroad for repair at no cost to the buyer and this can be evidenced by the free repair warranty contained in the original sales contract or invoice(s) or the correspondence between the buyer and the seller, such goods shall be exempted from Customs duty when they are re-imported.
The cost of repair or assembly, referred to in preceding paragraph, shall not include the cost of freight and insurance.
In the absence of documents evidencing the repair or assembly costs or free repair arrangement in respect of imported goods on which import duty is leviable or exempt under the provisions of the preceding paragraph 1, Customs may take an amount equal to one tenth of the Customs value of the re-imported goods after repair or assembly for assessment of Customs duty.
In the absence of the Customs value of the identical goods or similar goods imported at the time of exportation of the re-imported goods subject to Customs duty under Article 37, Paragraph1, Subparagraph 2, of the Act, the Customs value of the re-imported goods shall be assessed by reference to the Customs value of the identical or similar goods imported on a date close to the date of exportation of the re-imported goods. In the absence of the Customs value of the identical goods or similar goods imported as referred to in the preceding sentence of this paragraph, the difference between the Customs value of the goods re-imported after having been processed abroad and the FOB value of the goods originally exported shall be taken as the basis in determining the Customs value of the re-imported goods.
At the time of exportation and re-importation, the name, quantity and specifications of the goods subject to or exempt from Customs duty under Article 37 of the Act shall be indicated in detail on the export declaration and the import declaration, and a statement shall be made thereon that the goods are being shipped abroad for repair, assembly or processing. In addition, any damage or defect which requires repair or assembly, and the name, specifications, and quantity of the goods after

processing shall be indicated on the exportation declaration.
Where actual circumstances require an amendment of the name, specifications and quantity of the processed goods, referred to preceding paragraph, reasons for such amendment shall be stated in the import declaration during re-importation for inspection and approval purposes.

Article 21

An applicant, filing to import Customs office for assessment of Customs duty on imported goods based on rental or royalty in accordance with Article 38, Paragraph 1, of the Act, shall declare the Customs value of the goods and the rental or royalty payable respectively, and thereto, the lease agreement and the following documents attached to the application:
1. A duplicate of the patent certificate or evidential document issued by the patent authority of the government of exporting country, in case the patent right is not transferable.
2. A manual or relevant documents containing detailed description of functional characteristics of the imported goods, in case the ownership of the goods is not transferable on account of trade secret.
3. A letter of special approval granted by the Ministry of Finance for particular reasons.

Article 22

For imported goods on which the Customs duty is to be assessed based on the rental or royalty payable therefor under Article 38, Paragraph 1, of the Act, in case the accumulated rental or royalty for such goods will be higher than the Customs value of the identical or similar goods recently imported, the duty-payer may request, at the time of importation of such goods, that the Customs value be determined based on the Customs value of the identical or similar goods.

Article 23

A deposit provided by the duty-payer or a guarantee provided by a credit institute pursuant to Article 38, Paragraph 3, of the Act shall be refunded or released from its guaranty when the imported goods have been declared for export or destroyed under the approval of the Ministry of Finance upon expiration of the time of lease or use of such goods.
In the case of partial damage or destruction of the imported goods as referred to in preceding paragraph, the indemnity paid therefor by the duty-payer shall be included in the amount of the rental or royalty for the purpose of assessment of Customs duty; whereas in the case of full damage or destruction of the imported goods, the Customs duty shall be levied in full amount based on the Customs value of such goods as assessed at the time of importation.

Article 24

In case the imported goods on which Customs duty is levied based on the rental or royalty under Article 38, Paragraph 1, of the Act are not re-exported after expiry of the prescribed period or are sold within the period of lease, Customs duty shall be levied thereupon based on the depreciated value of such goods when the prescribed period expires or when the goods are sold. Such Customs duty may be offset from the deposit of the duty-payer or be paid by the guaranteeing credit institute on behalf of the duty-payer.

Article 25

The scope of the term "a complete set of machinery" referred to in Article 40 of the Act shall be limited to the various mechanical devices and parts as required for assembling the said machinery to an operational condition for production purposes, the equipment to be used directly with the said machinery in the course of operation, and the essential devices and parts or equipment to be used as spares or stand-by subparagraphs during normal operation. Any excessive quantity of mechanical devices, parts, or equipment to be imported along with the complete set of machinery and equipment shall be subject to Customs duty to be assessed according to the appropriate tariff classification covering such additional subparagraphs. Customs shall verify the quantity of essential spare or stand-by mechanical devices, parts, or equipment referred to in the preceding paragraph against the certificate issued by the competent authority.

Article 26

Where a complete set of machinery and equipment is to be imported in an unassembled and disassembled state or packed separately and applied for assessment of Customs duty according to the appropriate tariff classification to the said complete set of machinery and equipment, pursuant to Article 40 of the Act, an application, together with the following documents, for assessment of Customs duty shall be filed with Customs at the port of entry prior to Customs release of such machinery and equipment:

1. The catalog and design blueprint of the machinery and equipment;
2. Name of products to be produced by such machinery and equipment and relevant descriptive documents regarding the production capacity thereof;
3. The detailed contract for purchase of such machinery and equipment from the foreign supplier;
4. A list of the machinery and equipment to be imported, indicating in detail the name, specifications, unit, quantity, unit price, total price and function of each subparagraph involved.

The application, for assessment of Customs duty according to the appropriate tariff classification applicable to the said complete set of machinery and equipment referred to in Paragraph 1, shall be filed with the documents referred to in Paragraph 1 with Customs at the port of entry prior to the release of the first shipment thereof if such machinery and equipment are to be imported in partial shipment. An application may be subsequently filed if no application is filed at the time of importation provided that a complete set of machinery and equipment has been stated in the documents of Customs declaration of the first shipment.

If the attached list of the machinery and equipment referred to in the preceding subparagraph 4, paragraph 1 of the article is in need of amendment, an application should be filed with the Customs prior to the Customs release of the last shipment of the complete set of the machinery and equipment.

Article 27

The expression "made up of several different components, imported in a disassembled state and packed separately " under Article 41 of the Act shall denote goods which are completed commodities prior to the application for importation and are shipped for importation by tearing into parts. Where duties shall be levied in accordance with the appropriate tariff

classification to the goods as one complete unit pursuant to Article 41 of the Act, Customs verification thereof shall be made according to one of the following situations:
1. Where the name and quantity of the components of such commodity have been contained in the same bill of lading.
2. Where the quantity of the component is consistent with the quantity required for composing the said one complete unit.
3. Where the category and name of the components are identical as those of the component of the said goods as one complete unit, but the quantity thereof is insufficient to be assembled into the completed commodity, the value of each set of such component parts is in excess of 50% of the value of the said goods as one complete unit.

Chapter Ⅲ Privileged Duty Treatment

Section 1 Duty Exemption

Article 28

The imported articles exempt from Customs duty under Article 49, Paragraph 1, Subparagraph 1, of the Act shall be verified by Customs against the evidential documents issued by the relevant units of the Office of the President or based upon the order of the Ministry of Finance.

Article 29

The term "research institutions" referred to in Article 49, Paragraph 1, Subparagraph 6, of the Act shall include the research institutions established by the government or private sector.
The term "articles necessary for educational, research or experimental purposes" referred to in Article 49, Paragraph 1, Subparagraph 6, of the Act shall include medical instruments imported by public or private medical colleges or schools for use by their educational hospitals in performing clinical experiments.

Article 30

The term "advertising matters" referred to in Article 49, Paragraph 1, Subparagraph 9, of the Act shall denote promotional materials printed or engraved with the advertiser's logo or trademark or advertisement. The term “samples” refers to goods stamped or marked “sample” or “not for sale”, or goods declared as “sample or not for sale and provided for trading or production reference only” in the documents attached to the Customs declaration. The term “no commercial value” means that goods do not have transaction value and have been damaged or destroyed and therefore could not be provided for normal use.

Article 31

With regard to marine products, caught at sea and transferred imported, exempt from Customs duty pursuant to the first part of Article 49, Paragraph 1, Subparagraph 10, of the Act, the importer shall submit documentary evidence forwarded by the competent authority for marine affairs to be verified by embassies, consulates, representative offices, agencies or other organizations authorized by the Ministry of Foreign Affairs of the Republic of China and stationed at the locality, or the documentary evidence issued by the institution or person authorized by the competent authority for marine affairs .
With regard to marine products caught at sea and shipped back exempt from Customs duty pursuant to the second part of Article 49, Paragraph 1,

Subparagraph 10, of the Act, the permissible quantity thereof shall be determined by the Ministry of Finance after consultation with the competent authority for marine affairs.
At the time of importation of the marine products referred to in the preceding paragraph, the importer shall submit documentary evidence forwarded by the competent authority for marine affairs to be verified by embassies, consulates, representative offices, agencies or other organizations authorized by the Ministry of Foreign Affairs of the Republic of China and stationed at the locality. The importers can submit documentary evidence issued by the competent authority for marine affairs in case no embassy, consulate, representative office, agency or other organization authorized by the Ministry of Foreign Affairs of the Republic of China is stationed at the locality.

Article 32

The term "wrecked vessels, aircraft and their respective equipment salvaged from the sea" referred to in Article 49, Paragraph 1, Subparagraph 11, of the Act shall be limited to those specified in the following:
1. Irreparable vessels having run aground, been stranded or rendered irreparable by other sea disasters, or aircraft having crashed within the territorial waters of the Republic of China and that have been salvaged from the sea with the approval of the authority for the transportation affairs.
2. Dismantled materials from irreparable vessels that have run aground, been stranded or rendered irreparable by other sea disasters or from aircraft that have crashed beyond the territorial waters of the Republic of China, and such vessels or aircraft towed to a port in the Republic of China for dismantling provided that, in either of the above cases, such vessels or aircraft were originally registered in the Republic of China and had been engaged in shipping operations as well as had entry records. Articles, tools, utensils, etc. which were used aboard the salvaged vessels or aircraft but were not fixtures of such vessels or aircraft referred to in the preceding paragraph shall still be subject to the levy of Customs duty according to the Customs Import Tariff.

Article 33

The term "vessel permitted to be dismantled" referred to in Article 49, Paragraph 1, Subparagraph 12, of the Act shall be limited to vessels whose dismantlement has been approved by the Ministry of Transportation and Communications and whose shipping operation records can be evidenced by relevant documents. The time period “engaged in trade for two years” shall count from the date of obtaining the national registry of the Republic of China to the date of filing an application for dismantling with the Ministry of Transportation and Communications.

Article 34

For materials used solely on ships referred to in Article 49, Paragraph 1, Subparagraph 13, of the Act, the captain of the vessel shall, at the time of arrival of the vessel, fill out a list of such materials in accordance with the prescribed form and present the list to the Customs inspector for verification. Such materials, except a quantity required for the needs of vessel during its stay, shall be kept in sealed storage. In the event the materials in the sealed store have to be withdrawn for use for any reason,

advance approval of such withdrawal shall be obtained from Customs.

Article 35

The term "pharmaceutical products or medical apparatus imported for prevention of epidemics" referred to in Article 49, Paragraph 1, Subparagraph 16, of the Act shall be limited to those used for prevention of epidemics and certified by the authority in charge of pharmaceutical products or medical apparatus.

Article 36

The term “equipment, apparatus, disaster rescue animals and goods carried by foreign rescuers for the purpose of emergency or disaster rescue” referred to in Article 49, Paragraph 1, Subparagraph 17, of the Act shall be examined by Customs with the substantiating documents issued by the government agency importing those goods or by the donated government agency, or substantiating documents issued by the government agency receiving the assistance of the foreign rescuers.

Article 36-1

The term "the necessary sports equipment or supplies, which are limited to those used for international sports competitions" referred to in Article 49, Paragraph 1, Subparagraph 19, of the Act shall be limited to those used for competition and certified by the Ministry of Education.

Article 37

The term "in the same shipment" referred to in Article 49, Paragraph 2, of the Act shall mean goods shipped by the same carrier on the same voyage (or flight) to the same consignee.

Article 38

Imported goods exempt from Customs duty under Article 50, Subparagraph 1, of the Act shall be handled in accordance with the following regulations:

1. The imported goods shall be discharged directly into an import warehouse or a container yard which is registered with Customs and located within the wharf area or the airport.

2. The operator or the manager (employed by the operator) of the import warehouse or the container yard shall forthwith prepare a list, in duplicate, of lost, deteriorated or damaged goods and submit the list, duly countersigned by the cargo administrator of the means of transport which carried the goods into the port, to Customs officer stationed at the warehouse for his preliminary inspection. The said Customs officer shall in turn annotate the findings of alleged loss, deterioration or damage stated on the list and affix his signature/seal thereon, and shall, thereafter, keep one copy of the list in his own file and forward the other copy thereof to the field Customs office to attach the list to the import manifest of the said means of transport for further reference.

3. The duty-payer shall state in the import declaration the status of loss, deterioration or damage of the imported goods for Customs verification.

Article 39

Under any of the following circumstances, the imported goods shall not be eligible for the refund or the exemption from Customs duty as provided in Article 50 of the Act thereof:

1. Where the imported goods, having been released from Customs after application for Customs clearance and payment of Customs duty by the duty-payer, became of no commercial value due to loss , damage or natural loss

caused by the nature of the goods thereof during the period of storage in the warehouse and before being picked up.
2. Where the imported goods, at the time of examination, were found pilfered, damaged or lost due to defective packing or careless handling during opening or unpacking, or there has been delay in the filing of declaration in the case of goods of a perishable nature, thereby having no commercial value.
3. Where the imported goods released without examination and picked up were found damaged or lost, thereby having no commercial value.

Article 40

Application for duty exemption in respect of imported goods as compensation or replacement under Article 51, Paragraph 1, of the Act shall be filed with Customs within one month following the date of Customs release of the originally imported goods as indicated on the import declaration.
Application for duty exemption of the imported goods in accordance with Article 51, Paragraph 2, of the Act shall be filed within three months following the date of installation and testing of the machinery and equipment, along with a document issued by the competent authorities certifying the date of testing of the machinery and equipment. In the absence of such document, the provisions of the preceding paragraph shall apply.

Article 41

The application filed with Customs in accordance with the preceding Article shall contain the following particulars:
1. The name, quality, quantity, value and importation date of the originally imported goods as well as the import declaration number.
2. The nature of damage or defects in specifications or quality of the goods found not to be in compliance with the original contract after Customs release thereof, and the date of testing in the case of machinery and equipment.
3. The name, quality, quantity and value of goods to be imported for compensation or replacement.
The original purchase contract and relevant correspondence between the buyer and the seller shall be enclosed with the application; where such supporting documents cannot be submitted for any reason at the time of filing of the application, they may be submitted at the time of importation of the goods for compensation or replacement.

Article 42

Where an application for export of goods being returned to a foreign supplier for replacement is filed under Article 51 of the Act, Customs shall verify relevant documents or/and examine the goods against the application filed by the duty-payer in accordance with the preceding Article before releasing the goods.
In case the foreign supplier has declare to give up the right of the defective goods which would have been returned abroad, the goods shall be moved to Customs for examination. In case such movement is difficult due to bulk, large quantity or any other special reasons, Customs may, on application, assign an examiner to examine the goods at the place of storage. If the whole or a part of such goods are found to be useful, Customs shall revaluate and levy Customs duty on such goods.

Article 43

Except for consumable goods approved by the Ministry of Finance to be demonstrated in the exhibitions held by governments or non-departmental public bodies, goods exempt from Customs duty under Article 52, Paragraph 1, of the Act shall be limited to non-consumables. At the time of importation thereof, the name, brand, specifications and quantity of such goods shall be indicated in detail on the import declaration in attachment with an application for duty exemption and related documents announcing therein that the imported goods will be re-exported within six months or before the date of re-exportation approved by the Ministry of Finance; and in addition thereto, a deposit or a letter of guarantee issued by a credit institute shall be furnished, in security of the payment of the Customs duty leviable thereon, for Customs examination and release of such goods. If the goods are re-exported within the aforesaid time limit, the cash deposit shall be refunded or the credit institute shall be released from the guaranty; whereas, if the goods are not re-exported after expiry of the time limit, the import duty leviable thereon shall be offset by the deposit or be paid up by the guaranteeing credit institute on behalf of the duty-payer.

In case the goods referred to in the preceding paragraph are carried in by persons coming into this country at the invitation of government agencies, non-departmental public bodies or organizations approved by the Ministry of Finance, or are imported under a project, either initiated or co-sponsored by a government agency, non-departmental public bodies, or under a special project approved by the Ministry of Finance, the government agency, non-departmental public bodies or government-operated enterprise may provide a letter of guarantee instead of a deposit or a guarantee letter by a credit institute.

The consumable goods for exhibition set forth in Paragraph 1 shall be considered to have been re-exported in the same state under Article 52 of Customs Act, if they are determined as being consumed during exhibition by the competent government authority or non-departmental public bodies and then approved by the Customs to be written off from the Statement of Actual Consumption as items having no commercial value.

Article 44

The terms in Article 52, Paragraph 1, of the Act shall be defined as the following:

1. The term "samples" shall refer to samples with a total value exceeding the maximum value prescribed under Article 49, Paragraph 1, Subparagraph 9, of the Act.
2. The term "articles for scientific research" and "articles for experiments" shall refer to articles imported for use in scientific research and experimentation by individuals, factories, or research institutions having research and experiment equipment and verified by Customs with the relevant documents submitted by the importers.
3. The term "articles for exhibition" shall refer to articles imported for display in public at an exhibition and verified by Customs with the relevant documents submitted by the importers.
4. The term "costumes and paraphernalia of entertainment troupes" shall refer to equipment and apparatus in a reasonable quantity as required for

performance or contest by entertainment and musical troupes or athletic groups or individuals.
5. The term "cinematographic equipment and supplies for making movies and/or television films" shall refer to cinematographic equipment and supplies brought in by individuals or groups for use in taking or producing motion pictures or television films.
6. The term "instruments and tools needed for installation and repair of machines" shall refer to instruments and tools which are essential for suppliers to install and repair specific machines in accordance with the supply contracts.
7. The term "containers used for importing cargoes" shall refer to containers or similar articles which are not to be sold together with imported goods contained therein, and are reusable by the suppliers in the ordinary course of trade.

Article 45

With regard to the exempted goods which are re-imported within one year following the date of their exportation or before the date approved by the Ministry of Finance under Article 53 of the Act, the name, brand, specifications, and quantity of such goods and a statement that the goods will be re-imported within a prescribed period of time shall be indicated in the export declaration at the time of applying for exportation of such goods. When applying for importation of such goods, the name, brand, specifications, and quantity of the goods, as well as the original port and date of exportation, the means of transportation and the number of the original export declaration shall all be indicated on the import declaration for Customs verification at the time of re-importation.

Article 46

In case Goods on which Customs duty shall be levied according to their value and applicable tariffs at the time when the ownership of such goods is being transferred or the use of such goods is being changed as set forth in Article 55, Paragraph 1, of the Act, they shall be new goods, or used or obsolete items which are still usable after having been put to use since their importation.
If the whole or a part of the imported apparatus or materials required for manufacture in accordance with the conditions or usage of duty exemption or reduction are not in use because they have been replaced by other apparatus or materials, the unused portion thereof shall be subject to Customs duty under Article 55, Paragraph 1, of the Act, unless otherwise prescribed in the relevant laws.

Article 47

For goods subject to Customs duty under Article 55, Paragraph 1, of the Act, the original duty-payer, the present holder, the transferor or transferee of the imported goods shall, within 30 days following the date of change in usage or transfer of ownership, submit an application for payment of import duty to the Customs at the original port of entry or a designated Customs with the following documents attached:
1. The original invoice for such imported goods;
2. The duty memo of Customs duty payment, if the goods were imported under duty reduction;
3. The relevant documents for the granting of duty exemption or duty

reduction.
In the absence or in the partial absence of the related required documents as stipulated in the preceding paragraph, Customs shall assess the Customs duty on such goods in accordance with the Act.

Article 48

The term "imported goods on which duties are paid in installments" as set forth in Article 55, Paragraph 2, of the Act shall denote ones of which duties are permitted to be paid by installments in accordance with laws and regulations.
The provision "the transferee may continue to pay the duties by installments or record them on account" as set forth in Article 55, Paragraph 3, of the Act shall apply only to the cases where the transferee has satisfied the requirement of payment of Customs duty by installment or recording the Customs duty on account; otherwise, the transferee shall pay the outstanding duty in lump sum.
The period of installment payment to be paid continually under preceding paragraph shall denote the period of the outstanding installment(s) originally approved by Customs. Installment(s) due of payable Customs duty shall be paid in lump sum by the transferee.

Section 2 Bonding

Article 49

The term "raw materials" as set forth in the Article 59, Paragraph 1, of the Act shall denote the components of exported goods, or materials which are not the constituents of exported goods, but are essential for direct use in order to assure the quality of exported goods, and which will be consumed or can no longer be used continuously or repeatedly once they are put to use in the manufacturing process.
The term “self-use machines” as set forth in the Paragraph 3, Article 59, of the Act shall denote the machines used directly for manufacturing or processing export goods; the term “equipment” shall denote the equipment, machines and parts used in the production process to ensure proper functions of self-use machines, excluding expendable materials or indirect materials.

Section 3 Customs Duty Refunds

Article 50

The term "a duty refund or an offsetting of the accounts for export products " as set forth in Article 63, Paragraph 3, of the Act shall include Customs duties levied on the raw materials imported by a manufacturer under a commissioned processing contract or a cooperative project, or for his own account.

Article 51

The term "the date on which the raw materials were released for importation" as set forth in Article 63, Paragraph 3, of the Act shall refer to the date of Customs release as indicated on the import declaration. The date of application for import duty refund, except that the date of the post-mark shall be applied in the case of application by registered mail through the post office, shall be the date on which Customs receives the application.

Article 52

The term "special circumstances" referred to in Article 63, Paragraph 4, of

the Act shall be limited to events that the buildings, the production equipment or facilities of a factory are damaged due to natural disaster, accident or force majeur, and they are able to resume production operations only after they have been repaired.

In applying for extension given in accordance with the provision in the preceding paragraph, evidential documents issued by relevant authorities confirming the cause shall be submitted along with the application.

Article 53

The term "imported goods banned by law from sale or use" as set forth in Article 64, Subparagraph 1, of the Act shall not include goods which are no longer usable under the applicable law after expiry of the pre-established period of validity of such goods.

Article 54

The term "shortage of duty collection" set forth in Article 65 of the Act shall refer to a case, in which, after payment of Customs duty, a disproportionate collection is discovered, either by Customs or by the duty-payer, due to obvious errors in tariff classifications in the application of or the tariff rates, in calculation of the amount of Customs duty payable, in particulars given in the duty memo, or in currency, unit of pricing, exchange rates, freights or premiums. The term "excess of duty refund" set forth in the same Article shall refer to a case, in which, after the issuance of duty-refund notice, a disproportionate refund is discovered, either by Customs or by the applicant for the duty refund, due to obvious errors in calculation of refundable duty or clerical error in the duty-refund notice.

The term "obvious errors in the tariff classifications" referred to in the preceding paragraph shall be determined in accordance with the following principles:

1. Where the description for classification in the Heading, Sub-heading, and division in Customs Import Tariff has been clearly prescribed but is wrongfully applied;
2. In violation of relevant notes of section, Chapter, and Sub-heading clearly prescribed in the Customs Import Tariff; or
3. Where the same importer wrongfully declares again after the identical or similar goods have been issued advance ruling on tariff classification by Customs or have been rendered final and irrevocable through the procedures for administrative remedies.

The term " excess of duty collection" set forth in Article 65 of the Act shall refer to a case, in which, after payment of Customs duty, a disproportionate collection is discovered, either by Customs or by the duty-payer, due to errors in tariff classifications in the application of tariff rates, in calculation of the amount of Customs duty payable, in particulars given in the duty memo, or in currency, unit of pricing, exchange rates, freights or premiums. The term " shortage of duty refund" set forth in the same Article shall refer to a case, in which, after the issuance of duty-refund notice, a disproportionate refund is discovered, either by Customs or by the applicant for the duty refund, due to obvious errors in calculation of refundable duty or clerical error in the duty-refund notice.

Chapter Ⅳ Special Customs Duty

Article 55

Any of the following references may be used to justify the fitness of imposing retaliatory duty under Article 70 of the Act:

1. Factual evidence provided by a transportation institution or association; or

2. An investigation report or study report made by an appropriate economic or commercial mission of the Republic of China stationed abroad.

Chapter Ⅴ Penalties

Article 56

With regard to imported goods subject to disposal of by Customs by way of sale under Article 73, Paragraph 2 and Article 74, Paragraph 2, of the Act, if the duty-payer applies, prior to the sale of such goods by Customs, to complete the Customs declaration formalities or to make payment of Customs duty, with late fees or delinquent fees in accordance with the actual days of delinquency in filing the Customs declaration or in making payment of Customs duty, Customs may permit the duty-payer to complete the required Customs formalities and to pick up such goods within 20 days from the date following the day on which the application is received by Customs. The imported goods in question shall be disposed of by Customs under the aforesaid provisions, if the duty-payer fails to complete the necessary procedures as stated above within the given time limit.

The "any other necessary expenses" in the sales proceeds under Article 73, Paragraph 2, of the Act shall be withheld in accordance with the following order of priority:

1. Expenses required to dispose the imported goods;

2. Warehousing charges, and loading and unloading charges;

3. Late fees and delinquent fees.

The amount of late fees and delinquent fees to be withheld under the preceding paragraph shall be calculated for periods of 20 days and 30 days respectively.

Article 57

For the residuary from selling imported goods under Article 73, Paragraph 2, and Article 74, Paragraph 2, of the Act, Customs shall notify the duty-payer to withdraw and notify the owner of the transport business with copies initiatively, or at the request of the duty-payer to refund the residuary.

In claiming refund or receiving the residuary from the sale of imported goods, the claimant shall present the bill of lading endorsed by the owner of the transport business. Where the imported goods are subject to trade control, the relevant documents shall also be submitted to Customs for inspection.

The 5-year period for claiming refunds or receiving the residuary shall commence from the day following the date on which a late fee has been imposed for 20 days in case that the imported goods have not been declared to Customs, or from the day after 30 days following the expiry date of duty memo in case that the Customs duty have not been paid.

Article 58

(Deleted)

Article 59

(Deleted)

Chapter VI Implement

Article 60

The term "prohibited goods from importation" referred to in Article 96, Paragraph 1, of the Act shall denote the goods which are not permitted for importation and are not confiscated. Customs shall command the duty-payer return the goods abroad within 2 months, and may approve a month of extension thereto when it deems necessary, except in the case of extraordinary circumstances reported to the Ministry of Finance for approval.

Article 61

The goods disposed of under Article 96, Paragraph 1, of the Act shall be sold either by auction or by tender.

The person applying for importing the goods to be disposed of under the preceding paragraph may pay up the Customs duty and dues leviable thereon under the Act and relevant laws, bearing the warehousing charges, loading and unloading charges, etc., and apply to Customs for redemption at the price of Customs value assessed by Customs. The proceeds obtained from such redemption shall be surrendered, in full, to the national treasury.

The "any other necessary expenses" deductible from the sales proceeds under Article 96, Paragraph 1, of the Act shall be withheld in accordance with the following order of priority:

1. Expenses required to dispose the imported goods.
2. Warehousing charges, and loading and unloading charges.

Chapter VI Supplementary Provisions

Article 62

These rules shall take effect on the date of promulgation.

Data Source：Ministry of Finance, R.O.C. Laws and Regulations Retrieving System