

## Content

Title :	Regulations Governing the Customs Management of Freight forwarders <b>Ch</b>
Date :	2016.10.14
Legislative :	1.Promulgated on March 25, 2015 2.amended on October 14, 2016
Content :	<p><b>Chapter 1 General Provisions</b></p> <p><b>Article 1</b> These Regulations are prescribed pursuant to Paragraph 2, Article 20-1 of the Customs Act (hereinafter referred to as Act).</p> <p><b>Article 2</b> The term “forwarder” referred to in these Regulations means sea/air freight forwarder established and registered on the permission of transportation authority, and permitted by Customs in accordance with these Regulations.</p> <p><b>Article 3</b> These Regulations governing the sea/air manifest submitted by forwarder shall be implemented in different sea/air forwarders and cargoes; the date of implementation shall be announced by the Customs Administration of Ministry of Finance (hereinafter referred to as Customs Administration).</p> <p><b>Chapter 2 Permission of Registration</b></p> <p><b>Article 4</b> A forwarder that provides the services according to the Act shall apply to sea/air forwarder registration and be permitted by Customs. A forwarder shall submit the following documents to the Customs for registration application in accordance with Paragraph 1 of this Article: 1. An application form, which shall clearly state the followings: (1)Name, the uniform serial number of the company, business address, organization type , scope of business, and capital amount of the applicant freight forwarder. (2) Name, age, nationality, and address of the responsible person. (3)Applicant category (sea or air forwarder). 2. Freight forwarder registration documentation, along with its photocopy, issued by the competent transportation authority (the original will be returned immediately after verification). 4. Company registration documentation, along with its photocopy, issued by the competent authority (the original will be returned immediately after verification).</p> <p><b>Article 5</b> The registration shall be denied if sea forwarder or its responsible person commits serious violation against the concerned Customs laws and has been punished within the past 1 year. If the registration is completed, the registration shall be revoked and declared invalid starting from the date of the said revocation.  The serious violation against the concerned Customs laws, which is subject to the relevant punishment within the past 1 year mentioned above shall refer to the following situations: a record of smuggling within a period of 1 year prior to the registration date, false import/export declaration that results in over TWD 500,000 of either single amount or total amount in any or all offenses in tax evasion, over-rebated tax refund, or fixed-amount fine, or cargo confiscation with value in single amount or total amount over TWD 1,000,000, unless the violation is otherwise proven to be the result of negligence of other enterprises concerned.</p> <p><b>Article 6</b> A forwarder shall submit a guarantee deposit as followings to the Customs to complete the registration within a period of ten days from the date following the date on which the registration is approved: 1. The sea forwarder shall submit a guarantee deposit of TWD 500,000; the Security and Safety AEO</p>

(AEOS) shall submit a guarantee deposit of TWD 250,000.

2. The air forwarders shall submit a guarantee deposit of TWD 100,000; the AEOS shall submit a guarantee deposit of TWD 50,000.

Upon receiving a notice of adjustment of the guarantee deposit amount issued by the Customs, a forwarder shall claim or make up the shortfall within 30 days from the date following the date on which such notice is served.

In addition to cash, payment for the said guarantee deposit may be made with the followings:

1. Bonds issued by the government;
2. Time deposit certificates issued by a bank;
3. Time deposit certificates issued by a credit cooperative;
4. A one-year or more common trust certificate issued by a trust and investment company;
5. A guarantee provided by a financial institution; or
6. Any other properties approved by the Ministry of Finance, which are easy for sale and management as well as free from any dispute over proprietary rights.

The guarantee furnished in any of the forms specified in Subparagraphs (1) to (4) and (6) in the preceding paragraph shall be mortgaged or pledged to the Customs.

#### **Article 7**

A registration certificate as followings will be issued by the Customs to the forwarder that completes the registration process:

1. Sea registration certificate will be issued if it completes the sea registration process.
2. Air registration certificate will be issued if it completes the air registration process.

A rectification of the said certificate shall be made with the Customs every two years and A re-issuance of the certificate shall be immediately applied for if lost.

#### **Article 8**

The registration shall be cancelled if a forwarder or its responsible person commits serious violation against the concerned Customs laws and is punished within a period of 1 year after the registration date.

The serious violation against the concerned Customs laws mentioned above shall refer to the following situations: a record of smuggling, false import/export declaration that results in over TWD 1,000,000 of either single amount or total amount in any or all offenses in tax evasion over-rebated tax refund or fixed-amount fine, or cargo confiscation with value in single amount or total amount over TWD 1,500,000, unless the said violation is otherwise proven to be a result of negligence of other enterprises concerned.

#### **Article 9**

The forwarder whose registration has been cancelled by the Customs is prohibited from applying for the registration under the same name within a period of two years from date of cancellation.

#### **Article 10**

The forwarder shall first apply for registration change to the competent transportation authority and other authorities concerned and, if approved, complete registration certificate change and replace process at the respective Customs within 30 days from the date following the date of approval for the said registration change, in case of any of the followings:

1. Change of the responsible person;
2. Change of business organization;
3. Change of address; or
4. Capital increase or decrease.

### **Chapter 3 Management Concerning the Customs Clearance Procedures**

#### **Article 11**

The forwarder shall be outfitted with computer and internet access equipment and conduct its business with internet connected computer or electronic data transmission unless otherwise approved by the Customs.

#### **Article 12**

The forwarder shall pay attention to inspection; all illegal activities discovered, such as cargo smuggling or tax evasion, shall be immediately reported to the local Customs and the discovered objects and respective documents shall be turned over to the said authority.

A forwarder shall provide full cooperation and assistance in smuggling investigation conducted by the Customs.

**Article 13**

A forwarder shall maintain all documents signed by itself or its computer files for 5 years beginning on the date following that on which the imported or exported goods were released.

The said documents or its computer files mentioned above shall be submitted to the Customs within 3 days after receiving written notification from the Customs.

**Article 14**

The forwarder shall be responsible for making all payments arising from all taxes, dues, fees, or fines as required by these Regulations charged against itself. The Customs may directly deduct any past due payment from the guarantee deposit provided by the respective forwarder if the said forwarder fails to make the payment in time, and the forwarder shall be responsible to pay for any balance if the guarantee deposit amount is insufficient to cover the said payment.

If a deduction from guarantee deposit mentioned in the preceding paragraph is made, the respective forwarder shall replenish the guarantee deposit within 30 days from the date following the date of replenishment notice issued by the Customs.

**Article 15**

A forwarder shall advise the Customs immediately in case of business suspension, revocation, or cessation of agency authorization.

**Article 16**

The sea forwarder shall submit sea import cargo manifest to the Customs in accordance with the followings:

1. Within 5 hours before the arrival at the discharge port in Taiwan.
2. Before the arrival at the discharge port in offshore islands of Taiwan.

Directions relating to the scope, implementation stages, or grace period etc., for the above-mentioned regulations shall be announced by Customs Administration.

An cargo manifest mentioned in the first paragraph shall clearly state the following information:

1. The number of bill of lading(including master and house), cargo name on the bill of lading, mark, container number, packaging method (such as barrel, pallet, crate, or bag), quantity, weight, and specification of the cargo aboard the ship. In case of consolidated package of two or more pieces, which is stated on Bill of lading, the statement of the quantity included in the package is required;
2. Locations of loading and arrival;
3. Name and address of consignee; However, if the consignee is a bank or a forwarder, the name and the address of the real consignee should be stated in the notify party blank. For imported cargo stored in bonded warehouse or transshipment cargo, only the listing of forwarders is mandatory.
4. For container shipment, the manifest shall include mark, number, type, and shipment method of all containers. If a full container load includes two or more different shipments for a same consignee, the import manifest shall clearly state "Partial" after the container number. For an empty container without issuance of bill of lading, its number and quantity shall be listed on the final page of manifest without manifest number; and
5. Other information stipulated by Ministry of Finance in its announcements.

**Article 17**

The sea forwarder shall submit sea export cargo manifest to the Customs before the arrival at the discharge port.

Directions relating to the scope, implementation stages, or grace period etc., for the above-mentioned regulations shall be announced by Customs Administration.

An cargo manifest mentioned in the first paragraph shall clearly state the following information:

1. Cargo name on the shipping order, mark, crate number, packaging method (such as barrel, pallet, crate, or bag), quantity, weight, and specification of the cargo aboard the ship. In case of consolidated package of two or more pieces, which is also stated on the shipping order, the quantity included in the package shall be clearly stated;
2. Locations of loading and arrival; and
3. Name and address of consignor.
4. Other information stipulated by Ministry of Finance in its announcements.

An export container/cargo loading list may substitute sea export cargo manifest prescribed in first paragraph. Directions relating to the scope, implementation stages, or grace period etc., for the substitute shall be announced by Customs Administration.

**Article 18**

The air forwarder shall submit air import cargo manifest to the Customs in accordance with the followings:

1. Within 2 hours before the arrival at the domestic airport, in case where the journey after aircraft's take-off from the last on- and off-loading airport in foreign country is more than 4 hours.
2. Before the arrival at the domestic airport, in case where the journey after aircraft's take-off from the last on- and off-loading airport in foreign country is equal to or less than 4 hours.

The airports ( International Air Transport Association Airport Code) prescribed in the second subparagraph in the preceding paragraph shall be announced by Customs Administration.

Directions relating to the scope, implementation stages, or grace period etc., for the first paragraph shall be announced by Customs Administration.

An cargo manifest mentioned in the first paragraph shall clearly state the following information:

1. The number of bill of lading (including master and house), cargo name on the bill of lading, quantity, and weight of the cargo onboard. In case of consolidated package of two or more pieces, state clearly the quantity included in the package;
2. Locations of loading and arrival; and
3. Cargo storage location.
4. Other information stipulated by Ministry of Finance in its announcements.

**Article 19**

The air forwarder shall submit air export cargo manifest to the Customs before the departure at the domestic airport.

Directions relating to the scope, implementation stages, or grace period etc., for the above-mentioned regulations shall be announced by Customs Administration.

An cargo manifest mentioned in the first paragraph shall clearly state the following information:

1. The number of bill of lading (including master and house), cargo name on the bill of lading, quantity, and weight of the cargo onboard. In case of consolidated package of two or more pieces, state clearly the quantity included in the package; and
2. Destination.
3. Other information stipulated by Ministry of Finance in its announcements.

**Article 20**

Unless otherwise approved by the Customs, cargoes carried by a forwarder not included in the cargo manifest, or inconsistencies found between the manifest and reality, may be corrected at the Customs with justifiable reason within the deadlines specified below:

1. Import cargo manifest:

(1) Online declaration:

a. By sea:

(a) Within 72 hours after arrival, for declaration made in accordance with Article 16.

(b) Within 48 hours after arrival, for declaration failed to be filed within the time slot set forth in Article 16.

b. By air:

(a) Within 72 hours after arrival, for declaration made in accordance with Article 18.

(b) Within 48 hours after arrival, for declaration failed to be filed within the time slot set forth in Article 18.

(2) Within 24 hours after declaration, for declaration not filed online.

2. Export cargo manifest:

(1) Within 24 hours after an online declaration applicant receives an inconsistent manifest list or a message of inconsistent manifest transmitted by the Customs.

(2) Within 24 hours after the take-off of an aircraft or customs clearance of a vessel for non online declaration applicants.

The application for correction will not exempt the applicant from penalty if the Customs discovers or receives report of any smuggling mentioned in the preceding paragraph.

**Article 21**

Information stated on a cargo manifest in writing may not be erased or altered. Should corrections are required, cross out the original information and replace it with correct information. Any correction shall

require signature/seal stamp affixed on the side by the said forwarder.

## **Article 22**

The sea forwarder shall produce a detailed report on any short-discharge or over-discharge of containerized cargo or express delivery cargo to the Customs.

Unless there is an approval from the Customs, the deadline to produce the said report is provided as below:

1. For containerized cargo where the discharged cargo is stored at the facility supervised by the Customs: within 3 days from the date following the date on which the goods are discharged from the container.

2. For express delivery cargo: within 1 day following the date of warehouse check-in.

Report of short-discharge or over-discharge at places supervised by the Customs shall be first submitted to the competent warehouse authority of the Customs for scrutinizing warehouse check-in data, and, if no error is found and attestation is granted, the said report shall be submitted to the manifest authority of the Customs for acknowledgement. Revocation or correction, if needed, shall be filed within 3 days after the date following the date on which the said report of short-discharge or over-discharge has been submitted to the Customs.

Over-discharged cargo to be returned or transshipped for export shall require approval from the Customs within the deadline provided by Article 62 of the Customs Act, filed by the reporter. And filing transshipment application with the Customs for goods returned to foreign country or transshipped for export shall follow the normal procedures for cargo transshipment.

## **Article 23**

A forwarder shall transfer the container and/or cargo with the transportation means operated by the same forwarder in accordance with the given instructions prescribed in the special permit, transshipment permit, or export cargo release notice issued by the Customs and with the means of transferring approved by the Customs, and deliver the cargo safely to the location designated by the Customs. The forwarder shall be responsible to deliver the cargo safely to the responsible person in charge of the transportation means or agent for checking and acceptance and ship out for export. The forwarder shall comply with any route/line or time limit stipulated by the Customs.

Delaying the delivery mentioned above or changing the nature or packaging of the cargo is not allowed, and the official seal shall not be tampered. In case of delay or interruption of shipment, route/line change, or transportation means change due to accident or force majeure, the forwarder shall adopt precautionary measure to prevent cargo loss, and report the incident to the nearest Customs immediately. The documentation and operation directives governing the shipment control of the container (cargo) mentioned in Paragraph 1 shall be provided and promulgated by the Customs.

The container (cargo) mentioned in Paragraph 1 may be examined as the Customs deems necessary and transported under the Customs' escort personnel.

The said escorted transportation may be exempted provided a bond equivalent to payable tax and fee is deposited by the respective carrier and the container (cargo) is officially sealed.

## **Article 24**

Transshipment Containers (cargoes) whose declaration of manifest or transshipment is submitted by the forwarder shall be exported within 60 days from the date following the date on which the said container (cargo) has entered the container terminal (or reserved area at the dock) or warehouse. An extension of 30 days may be applied with the Customs for unavailability in schedule of vessel, flight, or other reasons.

The transshipment cargo mentioned in the preceding Paragraph not exported within deadline shall be returned within a given time limit. The Customs may apply *mutatis mutandis* Article 62 of the Customs Act to sell the said cargo if the cargo is not returned within a given time limit.

Unless escorted by the Customs personnel or approved to affix an electronic seal, the transshipment containers (cargoes) to be exported via sea shipping shall not be transported through inland container terminal, warehouse, or other ports.

The regulations governing inland transshipment for export of containers (cargoes) mentioned in the preceding paragraph shall be announced and implemented in different phases and areas by Customs

Administration.

Transshipment containers (cargoes) of weapon, ammunition, and drugs are required to be transshipped for export through the harbor or airport where the containers (cargoes) were imported.

#### **Article 25**

The forwarder shall not commit fraudulence, fabrication, or other illegal acts on the report, declaration, cargo manifest, transshipment application form, bill of lading, shipping order or booking notes when filing customs declaration.

#### **Chapter 4 Penalty**

##### **Article 26**

The Customs may issue a warning and a limited-time remedy order or administer a fine of more than TWD 6000 and less than TWD 30000 pursuant to Article 83-1 of Act against the forwarder that violates Paragraph 2 of Articles 6, Paragraph 2 of Articles 7, or Article 10 of these Regulations. The said fine may be administered repeatedly. Failure to complete the said remedy after 3 consecutive fines may be subject to a suspension of submitting manifest and reporting those of transshipment and transited goods to Customs.

##### **Article 27**

The Customs may administer a suspension of operation or registration revocation pursuant to Paragraph 2 of Article 93 of Act against a forwarder that violates Paragraph 2 of Article 14 of these Regulations.

##### **Article 28**

The Customs may issue a warning and a limited-time remedy order or administer a fine of more than TWD 6000 and less than TWD 30000 pursuant to Article 83-1 of Act against the forwarder that violates Articles 11 to 13 of these Regulations. The said fine may be administered repeatedly. Failure to complete the said remedy after 3 consecutive fines may be subject to a suspension of submitting manifest and reporting those of transshipment and transited goods to Customs.

##### **Article 29**

The Customs may issue a warning and a limited-time remedy order or administer a fine of more than TWD 6000 and less than TWD 30000 pursuant to Article 83-1 of Act against the forwarder that violates Articles 16 to Article 21 of these Regulations. The said fine may be administered repeatedly. Failure to complete the said remedy after 3 consecutive fines may be subject to a suspension of submitting manifest and reporting those of transshipment and transited goods to Customs.

##### **Article 30**

The Customs may issue a warning and a limited-time remedy order or administer a fine of more than TWD 6000 and less than TWD 30000 pursuant to Article 83-1 of Act against the forwarder that violates Articles 22 to 25 of these Regulations. The said fine may be administered repeatedly. Failure to complete the said remedy after 3 consecutive fines may be subject to a suspension of submitting manifest and reporting those of transshipment and transited goods to Customs.

#### **Chapter 5 Supplementary provision**

##### **Article 31**

These Regulations shall take effect on the date of promulgation.