Content

Title：	Regulations Governing the Establishment and Management of Bonded Warehouses Ch
Date：	2010.08.27

Legislative：	1.Promulgated by the Ministry of Finance Order No. 0998 on January 28, 1969. 2.Articles 3, 11, and 15 amended and Articles 4-1, 11-1, and 19-1 added by the Ministry of Finance Order No. 18160 on November 5, 1970. 3.Article 11 amended and promulgated by the Ministry of Finance Order No. 18440 on September 5, 1974. 4.Article 15 amended and promulgated by the Ministry of Finance Order No. 10052 on January 6, 1975. 5.Amended and promulgated by the Ministry of Finance Order No. 18604 on August 23, 1977. 6.Amended and promulgated by the Ministry of Finance Order No. 20987 on September 6, 1980. 7.Article 16 amended and promulgated by the Ministry of Finance Order No. 10893 on January 23, 1981. 8.Articles 16, 17, 19, and 42 amended and promulgated by the Ministry of Finance Order No. 10852 on February 1, 1982. 9.Article 16 amended and promulgated by the Ministry of Finance Order No. 13078 on March 7, 1984. 10.Amended and promulgated by the Ministry of Finance Order No. 7505289 on June 17, 1986. 11.Article 37 amended and promulgated by the Ministry of Finance Order No. 760073466(1) on August 25, 1987. 12.Article 27 amended and promulgated by the Ministry of Finance Order No. 770026202 on March 15, 1988. 13.Amended and promulgated by the Ministry of Finance Order No. 791234557 on September 4, 1990. 14.Article 19 amended and promulgated by the Ministry of Finance Order No. 801281087 on June 11, 1991. 15.The full text of 66 Articles amended and promulgated by the Ministry of Finance Order No. 831664061 on December 7, 1994. 16.Articles 35 and 36 amended and promulgated by the Ministry of Finance Letter No. 841729900 on January 10, 1996. 17.Articles 7, 18, 20, 25, 32, 35, 47, and 48 amended, and Article 58 deleted, by the Ministry of Finance Letter No. 861998460 on February 21, 1997. 18.Articles 5, 11, 12, 24, 25, 29, 30, 32, 37, 39, 42, 46, 53, and 62 amended and promulgated by the Ministry of Finance Order No. 872044582 on April 20, 1998. 19.Article 33 amended and promulgated by the Ministry of Finance Order No. 882015025 on March 3, 1999. 20.Articles 11 and 12 amended and promulgated by the Ministry of Finance Order No. 0890028361 on November 14, 2000. 21.Articles 4, 14, 52, and 53 amended, and Article 32-1 added, by the Ministry of Finance Order No. 0900550279 on July 12, 2001. 22.The full text of 67 Articles amended and promulgated by the Ministry of Finance Order No. 0900550835 on December 30, 2001. 23.The full text of 65 Articles amended and promulgated by the Ministry of Finance Order No. 0920550520 on June 27, 2003, and effective on the date of promulgation. 24.Articles 1, 4, 11, 12, 17, 21, 26, 28, 29, 36, 41, 45, 49, 55, 56, 57, 58, and 59 amended and promulgated by the Ministry of Finance Order No. 09305506740 on January 17, 2005. 25.Articles 4 through 6, 8, 9, 17, 23 through 26, 28, 29, 36, 38, 60, and 65 amended and promulgated by the Ministry of Finance Order No. 09500295810 on June 28, 2006, and effective on the date of promulgation, except that Articles 8 and 9 shall take effect on June 28, 2006. 26.Articles 3, 7, and 24 amended and promulgated by the Ministry of Finance Order No. 09605506770 on January 4, 2008. 27.Articles 5, 7, 12, and 61 amended and promulgated by the Ministry of Finance Order No. 09805901750 on October 30, 2009. 28.Article 48 amended and promulgated by the Ministry of Finance Order No. 09905906970 on August 27, 2010.
Content：	Chapter 1 General Principles

Article 1 These Regulations are defined and enacted pursuant to Paragraph 4, Article 58 of the Customs Act.

Article 2 The establishment and management of bonded warehouses that have been approved by and registered with the Customs as warehouses for the storage of bonded goods shall be implemented in accordance with these Regulations. Matters not prescribed herein shall be governed by the related laws and regulations.
Bonded warehouses that are registered for storing bonded goods imported or purchased by the warehouse owners themselves or goods used for reconditioning (such bonded warehouses being hereinafter referred to as "self-provided bonded warehouses") shall not be used for the storage of any goods other than those owned by the warehouse owners.

Article 3 The bonded warehouses may be used for the storage of the following goods:
1. General goods.
2. Materials and cabin goods used solely in transport vehicles for international trade.
3. Fuels used solely in transport vehicles for international trade.
4. Equipment and materials for repairing ships or airplanes.
5. Mineral oil.
6. Hazardous goods.
7. Goods for inspection, test, sorting, classification, segmentation, assembly, or reloading (hereinafter referred to as "goods for reconditioning").
8. Materials for repairing containers or pallets.
9. Exhibition goods.
10. Goods for sale in duty-free shops.
11. Other goods approved for storage by the Customs.

Article 4 The bonded warehouses are prohibited from storing the following goods:
1. Goods prohibited from importation as provided in Article 15 of the Customs Act.
2. Narcotics and controlled drugs.
3. Firearms, weapon & armaments, ammunition and explosives.
4. Parts and components of used vehicles, scrap iron, scrap metal, hazardous industrial wastes, medical wastes and other wastes.
5. Goods placed under import control.
6. Animals, plants or their products that fail to pass the quarantine inspection.
7. The following goods without an approval document issued by the competent authorities:
(1) Controlled chemicals, such as toxic chemicals, hydrochlorofluorocarbon (HCFCs)
(2) Radioactive substances
(3) Strategic high-tech commodities
(4) Goods that are likely to produce a public hazard or environmental

pollution during the period of storage
(5) Protected wildlife or their products
(6) Rough diamonds
8. Other goods announced by the Customs as unsuitable for being stored in bonded warehouses.
The conditions of the foregoing paragraph are also applicable to domestically-purchased objects stored in bonded warehouses.

Chapter 2 Establishment

Article 5 The establishment of a bonded warehouse is restricted to limited-liability companies with a paid-in capital of at least NT$20 million, except for government agencies, state-run enterprises and those specifically approved by the Ministry of Finance.
A bonded warehouse shall be securely built and approved by the competent authorities to be used as a warehouse; moreover, a bonded warehouse shall be equipped with anti-theft, fireproof, waterproof, ventilation, and lighting equipment, and other equipment that ensures the safety of the goods stored in the bonded warehouse and an appropriate workplace to facilitate the management of the Customs.
An exposed or outdoor storage site or area approved for the storage of goods through application pursuant to Article 22 shall be clearly separated from other areas in the vicinity; however, this provision does not apply to the exposed or outdoor storage site or area located within the control areas of international harbors or international airports.
The operator of a bonded warehouse shall furnish the bonded warehouse with computers and associated network facilities to process the customs clearance, accounting affairs, cargo control, and other related operations by means of computer networks or electronic data transmission. This provision does not apply to the bonded warehouses located within the control area of an international airport terminal and merely used for storage of passengers' luggage or the bonded warehouses exclusively used for the storage of aviation supplies.

Article 6 The bonded warehouses shall be established in harbor areas, airports, export processing zones, science-based industrial parks, agricultural science and technology park, areas in the vicinity of harbors, or other areas approved by the Customs.

Article 7 Applicants applying for the establishment of bonded warehouses shall submit the following documents to the local Customs for registration:
1. Application Form: The application form shall contain the following information: name and address of the applicant; name, address, ID number, and telephone number of the person-in-charge, the business registration number of the enterprise, location of the warehouse, architectural structure, and internal layout (with an illustration), and the categories of goods to be stored.
2. The usufruct certificates for the buildings of the bonded warehouse and photocopies of the same.
3. The licenses for usage of the buildings of the bonded warehouse.

4. Where an exposed or outdoor storage site or area is required, a floor plan of such site or area shall be presented along with its usufruct certificate and the photocopies.

Applicants applying for the establishment of bonded warehouses for storing the goods as set forth in Subparagraph 2, Paragraph 1 of Article 3 shall be restricted to shipping companies, airline companies or their contracted companies providing outsourced transport vehicle service.

Applicants applying for the establishment of bonded warehouses for storing the hazardous goods as set forth in Subparagraph 6, Paragraph 1 of Article 3 shall also submit a letter of consent issued by the local fire department or the competent authorities in regard to the location of the bonded warehouse and the safety facilities equipped inside the warehouse .

Applicants applying for establishment of bonded warehouses for storing the goods for reconditioning as set forth in Subparagraph 7, Paragraph 1 of Article 3, shall also submit a list of the required equipment.

Applicants applying for establishment of bonded warehouses for storing the exhibition goods as set forth in Subparagraph 9, Paragraph 1 of Article 3, shall also submit the exhibition rules for the exhibition goods or an exhibition plan.

Article 8 Where the Customs deems that an application filed for the establishment of a bonded warehouse fails to meet the provisions of these Regulations, the Customs has a right to demand that the applicant make rectification within a given deadline. Failure to complete such rectification within the given deadline shall lead to the rejection of the application by the Customs.

Article 9 A warehouse having been approved for registration is granted a license by the Customs, and such license shall undergo revision every two years pursuant to the provisions of Article 7.

For bonded warehouses having been approved for registration prior to the amendment and implementation of these Regulations on 27th June, 2003, the Customs may carry out the revision of licenses pursuant to the Regulations implemented at the time the bonded warehouses were registered. Moreover, an on-site inspection of the anti-theft, fireproof, waterproof, ventilation, and lighting equipment as defined in Paragraph 2 of Article 5 shall be conducted by the Customs.

In the case of alteration of the registered information of a bonded warehouse, except for capital increase, photocopies of the relevant certificates shall be submitted to the supervising Customs office for license renewal within 15 days from the day following the date of the alteration of the registration. In the case of alteration in the warehouse location or area, approval shall be obtained from the supervising Customs office prior to such alteration.

Article 10 The license fee of a duly registered bonded warehouse and the license reissue fee due to loss of the original one shall be collected in accordance with The Rules Governing the Collection of Fees by the Customs Authority.

Article 11 The applicant is required to pay a guarantee bond of NT$300,000 to the Customs upon the official approval and registration of the bonded warehouse under application; however this requirement for a guarantee bond is not applicable to the bonded warehouses established by government agencies or state-run enterprises.

A bonded warehouse approved for autonomous management that has been operational for at least three years is required to submit a guarantee bond of NT$3,000,000; whereas one whose period of operation is under three years is required to submit a guarantee bond of NT$6,000,000. However, in the case of a bonded warehouse located inside a control area or a container terminal authorized for autonomous management by Customs, the guarantee bond is NT$300,000.

Where the duty and taxes (fees) payable for the bonded goods stored in a self-provided bonded warehouse and the goods which are sold to the manufacturers located inside a tax zone and released from the warehouse in advance on a monthly consolidated declaration exceed the amount of the guarantee bond referred to in the preceding paragraph, the Customs is entitled to increase the guarantee bond as it deems appropriate.

The payment procedure of the guarantee bond referred to in the three preceding paragraphs is as provided in Article 11 of the Customs Act.

Article 12 Bonded warehouses meeting the provisions of The Regulations Governing the Autonomous Management Operations of Joint-Locked Warehouses, Container Terminals, Bonded Warehouses, Logistics Centers and Customs Accredited Establishments, with a paid-in capital of NT$50,000,000 or above may apply to the Customs for authorization to carry out autonomous management.

An applicant applying for the establishment and registration of a self-provided bonded warehouse shall meet the criteria for autonomous management authority to be able to qualify for application.

For such bonded warehouses as are exclusively used for the storage of aviation supplies (for the purpose of reparation and construction of airplane), and that the conditions of application for autonomous management may not limit the criteria for paid-in capital as a sum of NT$ 50,000,000 or above.

Article 13 Bonded warehouses having been approved for establishment are prohibited from ceasing operations without the prior approval of the Customs.

Chapter 3 Management

Article 14 The supervising Customs offices may assign Customs officers to conduct periodic or unscheduled audits of the bonded goods stored in bonded warehouses.

The storage and release of the bonded warehouse goods shall be processed during the office hours as prescribed by the Customs. However, this provision is not applicable to the bonded warehouses approved by the Customs for implementing autonomous management, or under such circumstances as have received the special approval of the Customs.

Article 15 A bonded warehouse shall appoint a representative to handle the bonding affairs of the warehouse, and make a report to the Customs.

Article 16 For storage of foreign goods in a bonded warehouse, the consignee or the holder of the bill of lading shall fill in an application form for the storage of foreign goods in a bonded warehouse, and the goods may enter the warehouse only after the warehouse operator together with Customs officers has confirmed the marking and quantity of the goods according to the release notice or the storage permit. However, fuels, materials, cabin goods or repair and maintenance appliances dedicated for the use of by airplanes may be unloaded and stored in the bonded warehouse before processing the necessary storage procedures upon the approval of the Customs, but the necessary storage procedures shall be completed within three days from the day following the date of storage.
The Customs may inspect the goods stored in bonded warehouses where it is deemed by the Customs as necessary.

Article 17 Where a self-provided bonded warehouse purchases bonded goods from a non-bonded-warehouse enterprise, bonded factory, or logistics center inside an export processing zone, a science-based industrial park, or an agricultural science and technology park, the seller and the buyer are required to jointly complete a customs declaration form, and submit such declaration form and necessary supporting documents for declaration to the Customs; thereafter, upon receipt of an computer-processed release notice or storage permit, the said purchased goods may be delivered to the warehouse for storage.
Where a self-provided bonded warehouse purchases goods for reconditioning from a manufacturer inside a tax zone, the seller and the buyer are required to jointly complete a customs declaration form, and submit such declaration form and necessary supporting documents for declaration to the Customs; thereafter, upon receipt of an computer-processed release notice or storage permit, the said purchased goods may be delivered to the warehouse for storage.

Article 18 A self-provided bonded warehouse purchasing goods from a bonded factory, logistics centers, and manufacturers inside a tax zone may apply to the Customs for a monthly consolidated declaration on the purchased goods. Upon approval of the Customs, the self-provided bonded warehouse may deliver the goods into the warehouse and attend to the accounting records based on the transaction vouchers, and thereafter process the customs declaration on the monthly consolidated declaration basis before the fifth day of the following month; moreover, the release date on the declaration form shall be regarded as the import/export date.
The aforesaid bonded goods purchased by the self-provided bonded warehouse from a manufacturer inside a tax zone cannot be delivered out of the warehouse before the customs clearance procedure is completed. Where it is necessary to deliver the goods before completion of the customs clearance, a number of samples shall be reserved for verification during the customs declaration procedures.

Article 19 Where tax-paid import goods or domestic goods are delivered to and displayed in a bonded warehouse dedicated for exhibition, a list of the goods attached with a mark containing the information of the brand, description, specification and quantity of the goods shall be reported to the Customs, and the goods may be delivered into the warehouse for storage after the supervising Customs officers have checked the goods together with the warehouse operator. Where the goods are to be delivered out of the warehouse after the exhibition, the original list of goods shall be submitted to the Customs, and the goods may be delivered out of the warehouse after the supervising Customs officer has checked the goods together with the warehouse operator.

Where the exhibited goods on which taxes are unpaid are to be transferred to a bonded warehouse inside the same customs area after exhibition, the transfer procedure shall be processed in accordance with the provisions of Article 47.

Article 20 In the event of the over-discharge or short discharge of the goods delivered to a bonded warehouse for storage, the warehouse operator shall complete an over-discharge/short discharge report in duplicate within seven (7) days from the day following the unloading of the entire shipped goods; and within three (3) days from the day following the unloading of the entire air goods; and within three (3) days from the day following the de-vanning of containerized goods, and submit the said over-discharge/short discharge report to the Customs for inspection.

Article 21 The goods stored in a bonded warehouse shall be piled up in different section areas according to the categories of goods with the marks facing out. An identification number of each section area shall be clearly marked on the wall for easy identification. However, this requirement is not applicable to exhibition goods stored in bonded warehouses upon the approval of the Customs.

Customs-accredited computer-controlled automated bonded warehouses are likewise not subject to the requirement of the preceding paragraph. The goods contained in these warehouses are stacked in separate pallets. An identification number of each section area shall be clearly marked on the shelves for easy identification. However, one pallet should only hold the goods declared in the same customs declaration.

Where bonded warehouses are approved to provide reconditioning services, the goods should be stored in their respective sections before and after the reconditioning of the goods. The bonded warehouses approved for autonomous management may store such goods together in one section of the warehouse; however, goods should be separately stacked according to classification.

Article 22 Where the packages of goods are overweight or oversize or in other special circumstances, upon approval of the Customs, the goods may be stored in the exposed or outdoor storage site or area of a bonded warehouse. The warehouse operator shall be held fully responsible for the safety and management of such goods.

The exposed or outdoor storage site or area referred to in the preceding paragraph must be adjacent to a duly registered warehouse; however, this requirement is not applicable in the circumstances that the adjacent land has been expropriated by the government.

Article 23 Applicants applying to deliver the bonded goods out of the bonded warehouses for importation pursuant to Article 16 shall comply with the following provisions:

1. In terms of after-tax import goods, the owner of the goods or the holder of the manifest shall fill in a declaration form, and submit the form and other necessary documents to declare the goods to the Customs, and the warehouse operator may deliver the goods out of the warehouse based on the computer-processed release notice or delivery permit after having confirmed that the marks and the quantity are consistent with the clearance documents in the presence of the supervising Customs officers.

2. Where goods are supplied to an enterprise inside an export processing zone, a science-based industrial park, an agricultural science and technology park, or a bonded factory, the owner of the goods or the holder of the manifest shall jointly present the necessary documents to declare the goods to the Customs, and the warehouse operator may deliver the goods out of the warehouse based on the computer-processed release notice or delivery permit after having confirmed that the marks and the quantity are consistent with the clearance documents in the presence of the supervising Customs officers.

Article 24 For bonded goods delivered into the self-provided bonded warehouse for storage pursuant to the provisions of Articles 16 and 17, applications filed for the transportion of the said bonded goods out of the warehouse shall be processed under the following provisions:

1. The goods sold to the manufacturers inside a tax zone shall be regarded as import goods, and the warehouse operator shall complete a customs declaration form, and submit the declaration form and necessary documents to declare the goods to the Customs, and thereafter transport the goods from the warehouse based on the computer-processed release notice or delivery permit after the duty and tax are assessed according to the pattern of delivery.

2. Where goods are sold to enterprises located inside an export processing zone, a science-based industrial park, an agricultural science and technology park, or a bonded factory, the seller and the buyer shall jointly complete a declaration form, and submit the declaration form and other necessary documents to declare the goods to the Customs, and thereafter process the delivery of such goods from the warehouse based on the computer-processed release notice or delivery permit.

3. Where applications are filed for the delivery of the export goods from the warehouse, the warehouse operator shall fill in a declaration form and submit the declaration form and other necessary documents for customs declaration of the goods. The goods may thereafter be delivered from the warehouse after the marks and the quantity are confirmed to be consistent with the delivery permit, and then transported to the Customs of the place of departure for customs clearance. Where the goods are declared by other

manufacturer or trading company for exportation, the export declarer shall clearly state on the export declaration that "This batch of goods is supplied by ○ ○ bonded warehouse; hence, except for the bonded warehouse which is entitled to write off the account, the exporter is not allowed to apply for rebate of duty and tax". Moreover, the export declarer shall submit a duplicate copy of the export declaration to the warehouse operator for the write-off of the account.

Article 25 A self-provided bonded warehouse selling bonded goods to a bonded factory, science-based industrial park, agricultural science and technology park, export processing zone, logistics center, other self-provided bonded warehouse, or manufacturer in a tax zone may apply to the Customs to declare goods on a monthly consolidated declaration basis, and upon approval of the Customs, such self-provided bonded warehouse may deliver goods from the warehouse based on and process account recording, and process the consolidated declaration of goods for customs clearance before the fifth day of the following month; moreover, the release date on the declaration form shall be regarded as the import/export date .

A self-provided bonded warehouse applying to use monthly consolidated declaration shall comply with the following provisions:

1. A monthly consolidated declaration register book shall be provided to record the delivery date, description, specification, quantity, and estimated duty and tax of each batch of goods in sequence; however, the requirement of a monthly consolidated declaration register book is not necessary where the control and management are processed by computers and online real-time verification is accessible by the Customs.
2. A number of sample goods shall be reserved for verification during the customs clearance procedure, unless sampling is exempted according to the relevant provisions.

Article 26 Where bonded goods stored in a bonded warehouse according to Article 17 and Paragraphs 1 and 2 of Article 36 are returned to the seller, the following provisions shall be observed:

1. Where the goods are returned to a seller inside a tax zone, both the seller and the buyer shall jointly complete an application for the return of merchandise and submit the application to the Customs for approval; upon receipt of approval by the Customs, the parties concerned should process the customs declaration of such returned goods.
2. Where the goods are returned to a seller inside an export processing zone or a science-based industrial park, an agricultural science and technology park, a bonded factory, or a logistics center, the seller and the buyer shall jointly complete a declaration form and process the declaration of goods with the Customs.

Article 27 When an applicant applies for delivery of bonded goods stored in a bonded warehouse based on the computer-processed release notice, delivery permit, or the transaction voucher, a container (goods) note (and a release permit) shall be issued.

The bonded warehouse shall keep a duplicate copy of the above-mentioned container (goods) note or transaction voucher for future examination by the

Customs.

Article 28 Where the foreign goods removed from a bonded warehouse are found inconsistent with the contract in quality or specification after importation, and the original owner of the bonded goods or the holder of the cargo manifest are held liable for compensation or replacement of the goods, the seller and the buyer shall jointly complete an application for the return of merchandise and submit the application to the Customs for approval, and thereafter, parties concerned may process duty/tax exemption pursuant to Article 51 of the Customs Act.
Where foreign goods stored in a bonded warehouse supplied to an export processing zone, a science-based industrial park, an agricultural science and technology park, or a bonded factory are returned to the warehouse for re-storage, the two-year storage period shall commence from the initial date on which the said goods were first delivered for storage.

Article 29 In the matter of the import customs clearance of goods stored in a bonded warehouse, except for goods provided to a bonded factory, or enterprises located in an export processing zone, a science-based industrial park, or an agricultural science and technology park which should be processed pursuant to the related governing laws and regulations, the owner of the goods is required to make duty or tax payment within the regular cargo importation duty payment deadline. Where the owner of the goods fails to make a payment as required, the provisions of Article 74 of the Customs Act shall be imposed.

Article 30 Where the foreign goods stored in a bonded warehouse are to be removed from the warehouse for re-export, the owner of the goods or the holder of the manifest shall complete an application for the re-export of bonded goods, and apply with the supervising Customs office for permission to deliver such goods and process the declaration of goods at the Customs of the place of departure. The warehouse operator may process the release of goods upon presentation of the delivery permit and after the marks and the quantity of the goods are confirmed to be consistent jointly by the warehouse operator and the supervising Customs officers. The Customs shall thereafter assign Customs officers to escort the transportation of goods, or supervise the sealing and transportation of the goods to the Customs of the place of departure for customs clearance.

Article 31 Matters assigned to the supervising Customs officers as defined in these Regulations may be attended to by the personnel dedicated to the bonded goods affairs of a bonded warehouse implementing autonomous management. However, goods under escort during transportation shall be handled by the Customs officers.

Article 32 Where a bonded warehouse storing fuels and materials used on the transport vehicles for international trade purpose supplies the ships or airplanes of companies to which the warehouse is affiliated with fuels or materials for running international routes, the declaration form shall be completed by the shipping company, airline company, or their contracted

transport vehicle operator and submitted to the Customs for the granting of a delivery permit. Upon issuance of the permit, the Customs shall assign personnel to escort the transportation of goods or supervise the sealing and loading of the goods into a vessel or an aircraft. However, the fuels, materials, or repair and maintenance appliances dedicated for airplanes may be delivered from the warehouse and loaded into the airplane upon the approval of the Customs, and the delivery procedure shall be processed within three (3) days from the day following such delivery.

For bonded warehouses approved by the Customs to solely store the aviation supplies for airplanes flying international routes, and in order to ensure the frequent usage of the goods stored in such bonded warehouses by such airplanes the goods may be returned for re-export in advance, and placed in cleared chambers, according to the regulations of the Customs before being loaded for re-export; however, such goods shall still be supervised and controlled by the Customs; moreover, the goods may be free of joint-locking in consideration of the circumstances. The actual consumption of the goods shall be certified by the Customs officers and reported to the Customs in the monthly consolidated declaration.

For goods used in the repair of aircraft and stored in a bonded warehouse dedicated to the storing of goods for aircraft flying international air routes, the warehouse operator may apply to the Customs for approval to seek an outsourced repair service, but the period of repair shall not exceed six months, and the operator is required to sign an affidavit. However, depending on the actual requirements, the operator may apply to the Customs for an extension before the period expires; however, the period of such extension may not exceed six (6) months, and the application for an extension shall be limited to one (1) time.

Where the goods for international airlines used to build and repair aircraft referred to in Paragraph 1 are sold (including those which are deemed as sold) to a domestic airline company that needs to repair its aircraft, and the warehouse storing the goods is a bonded warehouse approved by the Customs to perform autonomous management, the transactions may be declared on a monthly consolidated declaration basis, and the goods may be removed from the warehouse and recorded in the accounting books in advance upon presentation of the transaction voucher, and a consolidated declaration shall be processed before the fifth day of the following month for customs clearance.

Article 33 For parts and materials removed from a bonded warehouse for the repair of containers, in addition to a declaration form, a detailed container repair and maintenance table produced in triplicate shall be prepared. Moreover, the following shall be reported to the Customs, and upon receipt of a permit from the Customs, the goods may be removed from the warehouse temporarily after a guarantee bond for duty and tax payment is furnished or a guarantee is provided by a financial credit institution for the payable duty and tax:

1. The category, sign, number, and export date of the containers to be repaired.

2. The description, quantity, and specification of the materials required for repair as well as the number of the declaration form.

3. The description and place of the repair work, as well as the estimated completion date.
4. The description, quantity, and disposal method of the used materials removed due to repair.
After the Customs has confirmed that the repair of the containers has been carried out, the repair goods temporarily removed from the warehouse shall be regarded as goods returned for re-export, and the guarantee bond shall be refunded or the originally guaranteed credit shall be written off. The period of repair work shall be limited to one (1) month, and may be extended for one (1) month under special circumstances. In the case that the repair work fails to reach completion within the given deadline, the guarantee bond shall be used to pay the duty and tax, or an import tax shall be levied from the guarantor institution.
Where a bonded warehouse storing the materials for work done in the repairing of containers and the container repair ship are both located in the zone inside a port area, a certain quantity of materials used for a specific period may be removed from the warehouse after paying the guarantee bond and stored in the repair shop for safekeeping and usage. However, a detailed daily record table of the materials used for the repair shall be produced in triplicate; such table should contain the quantity of daily consumption and balance of the materials; upon inspection and verification of the daily record table by the Customs, the consumed quantity may be made up within the range of the quantity originally approved by the Customs; under such circumstances, no guarantee bond shall be additionally provided. In the case that the required quantity of materials for the repairing of containers is reduced, a detailed list of such materials containing the description and quantity of the materials may be submitted for application for refund of the overpaid portion of the guarantee bond.
The period of the above-mentioned materials for repair to be removed from the bonded warehouse and stored in the repair shop for safekeeping and usage is not limited by the provision of Paragraph 2, but the Customs may from time to time send officers to conduct random inspection when it deems necessary.
Used materials removed during the process of the repair of a container shall be returned for re-export; where such used materials are not returned for re-export, an import duty and tax shall be assessed, or otherwise the used materials shall be reported to the Customs and destroyed under the supervision of the Customs.

Article 34 Reconditioning of the bonded goods may be processed under the following methods:
1. Inspection and testing: To inspect or test the goods stored in warehouses.
2. Sorting : To refit the stored goods or attach labels to the goods.
3. Classification: To grade or classify the stored goods based on the nature, shape, size, color, and other characteristics of the goods.
4. Segmentation: To divide the stored goods.
5. Assembly: To assemble the goods by means of manpower or tools.
6. Repacking: To change the original packaging or repack the stored goods.

Reconditioning of the goods as referred to in the preceding paragraph shall meet the following provisions:

1. The original nature or shape of the goods cannot be altered, except that the original shape can still be recognized after the alternation.

2. No damage or minor damage shall occur during the process of reconditioning.

3. No heavy and complicated machines or equipment shall be used.

4. After the process of reconditioning, non-compliant goods included in the domestic purchase order shall not be discarded as useless goods and written off from the accounting book, instead, the non-compliant goods shall be returned to the seller. Where the non-compliant goods are included in the foreign purchase order, such goods shall be returned for replacement according to the governing regulations, or upon presentation of the consignor's written consent, the non-compliant goods may be discarded as useless goods and written off from the accounting book.

5. After the process of reconditioning, the marking of the place of origin of the goods shall be handled in accordance with the governing laws and regulations.

Before the goods undergo reconditioning processing in a bonded warehouse, the owner of the goods or the holder of the manifest shall report the name, quantity of the goods, storage date, declaration number, scope of reconditioning, and names of the workers to the Customs, and upon issuance of a permit by the Customs, the reconditioning work may commence under the supervision of the Customs officers assigned by the Customs to be stationed in the warehouse. However, the bonded warehouses approved by the Customs for implementing autonomous management and bonded warehouses located inside an export processing zone shall be free from the supervision of the Customs. The entry and exit of the reconditioning workers into and from the warehouse shall be governed by the provisions set forth in Article 11 of the Customs Anti-Smuggling Act when the Customs deems it necessary.

Article 35 A self-provided bonded warehouse may remove the goods out of the bonded warehouse for inspection or test upon the approval of the supervising Customs office. Under such circumstance, detailed records shall be made to register the description, unit, specification, and quantity of each batch of goods as well as the time of entry and exit. The Customs may from time to time send personnel (officers?) to conduct inspection in case the need arises.

The goods referred in the preceding paragraph shall be shipped back within three (3) months; however, an application for extension may be filed once before the given deadline, but the total period shall not exceed six (6) months.

Article 36 Where a bonded warehouse is holding domestic goods that are processed, manufactured or reconditioned by enterprises located inside the export processing zone, science-based industrial park, agricultural science and technology park, bonded factory, logistics center, or other bonded warehouses, the owner of the goods or both the seller and buyer shall complete a customs declaration form, and shall submit such form together with all related supporting documents for the purpose of customs

declaration. Thereafter, upon receipt of a computer-processed release notice or delivery permit from the Customs, goods acceptance and storage procedures may be processed.

In the matter of goods for reconditioning stored in a bonded warehouse, where the owner of the goods or the holder of the manifest needs to purchase raw materials, semi-finished products, or finished products from a manufacturer located inside a tax zone, or a bonded factory, a logistics center or an enterprise located in an export processing zone, a science-based industrial park or an agricultural science and technology park, both the buyer and the seller shall jointly complete a customs declaration form and declare such goods to the Customs for inspection and warehousing.

The provisions stated in the preceding paragraph shall also govern the processing of materials sold by a bonded factory to a bonded warehouse for container or pallet repair and maintenance purposes.

Where materials stored in a bonded warehouse are reshipped out of the bonded warehouse pursuant to the conditions provided in the preceding three paragraphs, customs declaration of the said materials should be processed for customs inspection and verification. Goods may be released upon approval by the Customs.

Article 37 Applications for removing the bonded goods from a warehouse after reconditioning shall be filed by the following persons:

1. The owner of the goods or the holder of the manifest.
2. In terms of the domestic goods stored in the warehouse and the goods undergoing reconditioning and assembly, the owner of the reconditioned goods or the holder of manifest shall process the application.

Article 38 Where the reconditioned bonded goods are to be removed from the warehouse for import, returned for re-export, or transported to an export processing zone, a science-based industrial park or an agricultural science and technology park, it is required to clearly state the names and quantities of the goods before and after reconditioning, as well as the date of entry and the original declaration number on the declaration form for Customs review and examination. Where domestic goods are used, the declaration shall also include the tax- rebate-related information, such as the name, quantity, specification, manufacturer, and the original declaration number of the raw materials, semi-finished products, or finished products purchased from a manufacturer inside a domestic tax zone, a bonded factory, or an enterprise inside an export processing zone, a science-based industrial park or an agricultural science and technology park

Article 39 Where the reconditioned bonded goods are to be removed from the warehouse for import, the Customs shall give its approval to the applicant to write off the goods from the accounting book based on the status of the goods before reconditioning (i.e., at the time when the goods were first warehoused), but shall determine the customs value, tariff number, and whether a commodity tax shall be assessed or not based on the status of the goods after reconditioning.

Article 40 Where the reconditioned bonded goods are to be removed from the warehouse and returned for re-export, the Customs shall give its approval to the applicant to write off the goods from the account based on the status of the goods before reconditioning (i.e., at the time when goods were first warehoused).
Domestic products used in the re-conditioning of the above-mentioned goods shall be processed according to the regulations governing cargo export affairs at the time when such products were being returned for re-export; this procedure is also applicable to domestic products used for repairing containers or pallets.

Article 41 After the bonded goods are exported after reconditioning, or after the repair and maintenance work conducted on a pallet or container reaches completion, in the case of the domestic products supplied by a manufacturer inside a tax zone and used on the said reconditioning or repairing work, an application may be filed for tax offset and refund pursuant to Article 63 of the Customs Act, except for items that are delisted from the schedule of items for tax rebate.

Article 42 Machines, tools, and equipment provided by a domestic manufacturer and used in the reconditioning of goods shall be delivered into or out of the bonded warehouse based on the delivery permit issued by the Customs and after verification.

Article 43 The deterioration of bonded goods occurred in the process of reconditioning may be written off after verification and confirmation by the Customs.
As for waste materials produced in the process of the reconditioning of bonded goods, materials with a utilization value shall be imported without paying the tariff according to the laws, and those without a utilization value shall be destroyed under the supervision of the Customs.

Article 44 Where foreign goods stored in a bonded warehouse are delivered from the warehouse for export, the Customs shall not issue a certified copy of the declaration form or an export certificate.

Article 45 The maximum period of storage of the bonded goods stored in a bonded warehouse is two (2) years, and period is non-extendible. However, this storage deadline limitation does not apply to the raw materials used in important domestic industries, the required daily consumer necessities, the substances or materials for important domestic engineering constructions, or other materials approved by the Ministry of Finance for special purposes.
Where the bonded goods are not declared for importation or returned for re-export within the storage period set forth in the preceding paragraph, a fine for overdue declaration will be imposed according to Paragraph 1, Article 73 of the Customs Act; where bonded goods remain undeclared or unreturned after twenty (20) days elapse since the fine is imposed, the case shall be handled in accordance with Paragraph 2 of the same article.
Where the owner of bonded goods or the holder of the cargo manifest issues

a written statement to abandon the goods before the expiration of the storage period, the goods shall be disposed of according to Article 96 of the Customs Act.

Article 46 Where bonded goods to be returned for re-export are not shipped due to a specific reason, the Customs shall send Customs officiers to escort the transportation of goods, or supervise the sealing and warehousing of the goods into the bonded warehouse; moreover, the storage period shall commence from the date the goods were initially warehoused.

Article 47 Under any of the following circumstances, the bonded goods stored in a bonded warehouse may be transported to another bonded warehouse or a logistics center, and the person initially processing the warehousing procedures, or the seller and the buyer shall jointly complete an application form for the transport of the bonded goods to another bonded warehouse or logistics center, and submit such application to the Customs:
1. The goods are transported to a logistics center or to a bonded warehouse at another domestic treaty port.
2. The goods are sold to a self-provided bonded warehouse.
3. The foreign goods are sold by a self-provided bonded warehouse.
4. The bonded warehouse cancels its registration and ceases operations.
5. The bonded goods stored in the warehouse are likely to suffer damages caused by force inevitable, such as flood, landslide, or typhoon, or occurrence of a natural disaster is predictable.
6. The person initially processing the warehousing procedures has established a bonded warehouse.
7. Other special circumstances.
In terms of the circumstances set forth in the preceding Subparagraphs 4 to 7, where the goods are transported to another bonded warehouse at the same treaty port, a prior application shall be submitted to the Customs for approval.

Article 48 Where the bonded goods are transported from one bonded warehouse to another bonded warehouse, the storage period shall commence from the date on which the goods were shipped to the original bonded warehouse for storage.
Where the bonded goods, which were transported from a bonded warehouse to a logistics center, are transported to the another bonded warehouse, the storage period shall commence from the date on which the goods were shipped to the original bonded warehouse for storage.

Article 49 Where the bonded cargo suffers loss or damage during the period of its storage in the bonded warehouse, the provisions of Article 50 of the Customs Act and Article 39 of the Enforcement Rules for the Customs Act shall apply.

Article 50 Where inspection, survey or sampling are required for the bonded goods, the owner of the goods or the holder of the manifest shall apply to the Customs for a permit, and the warehouse operator may carry out inspection, survey or sampling together with and under the supervision of

the Customs officers. The applicant is responsible for returning the unpacked packages to their original condition.

Article 51 A bonded warehouse operator shall, according to the regulations of the Customs, prepare an inventory register which shall be examined and sealed by the Customs before use; the warehousing, goods shipment, self-inspection, or sampling of the goods shall be clearly recorded in the inventory register. The Customs may from time to time send Customs officers to the warehouse to inspect the goods and the inventory register, and request an inventory of the goods where necessary; the warehouse operator and the warehouse manager employed by the operator shall cooperate with such inspection conducted by Customs officers.

An applicant applying for warehousing or shipment of goods shall faithfully provide the information required for the purpose of the recording of the accounts of the warehouse operator; the information shall include the customs declaration number for incoming or outgoing goods, type of declaration, items of the declaration, description of goods, quantity, unit, etc.

Where a bonded warehouse having been approved to undertake reconditioning business is required to prepare the inventory register according to the provisions of Paragraph 1, separate inventory registers shall be provided for recording different goods, such as goods imported from foreign countries, domestic bonded goods, other non-bonded goods, and reconditioned goods.

Where a bonded warehouse storing goods for exhibition prepares a register pursuant to the provisions of Paragraph 1 of this Article, it is required that the register provide clear record of the information of the participating manufacturer, description, specification, and quantity of the exhibition goods, and indicate the position of the exhibition area for future inspection. However, in the case that the period of exhibition is short and the exhibition contains a variety of goods, an application may be filed with the Customs for the binding of the import declaration copies into a book to replace the register.

The incoming or outgoing bonded goods shall be recorded in the related accounting books within two (2) days from the day following the warehouse in/out date of the goods .

Article 52 The accounting books, statements and reports, warehouse in/out sheets of bonded warehouses may be computer processed upon the approval of the supervising Customs office. However, the statement and reports printed out every month in replacement of the inventory register shall be submitted to the Customs for examination and stamping before the twentieth day of the following month.

Where a bonded warehouse processes its accounting affairs and the control and management of goods through an computer online system, and thus the Customs may perform verification through remote connection, the bonded warehouse is exempted from submission of the accounting books, statements and reports, or warehouse in/out sheets to the Customs for examination and stamping.

The statements and reports and the accounting books referred in the above

two preceding paragraphs may be stored in electronic file format upon the approval of the supervising Customs office.

Article 53 The bonded warehouse operator shall be held liable for the safekeeping of the goods stored in the warehouse. Where the goods suffer loss, in addition to Article 49, the bonded warehouse operator shall also be responsible for the payable duty and tax (fee).
The Customs shall assume no responsibility for the matters regarding whether insurances have been taken on the bonded goods or not; the disposal of the after-tax warehoused goods that are unclaimed; and all matters among the owner of goods, manifest holder, and bonded warehouse operator.

Article 54 Where the goods stored in a bonded warehouse should be handled by the Customs according to the Customs Anti-Smuggling Act, the Customs office is entitled to detain such goods in the Customs warehouses at any time according to a Customs detention certificate, and the bonded warehouse operator or manager shall not make a refusal.

Chapter 4 Penal Provisions

Article 55 Under any one of the following circumstances, the Customs is entitled to issue a warning to the bonded warehouse under Article 88 of the Customs Act demanding the rectification of conditions within the prescribed deadline or impose a penalty fine between NT$6,000 to NT$30,000 (inclusive). Repeated fines may be imposed for repeated offenses. Moreover, where the bonded warehouse is unable to rectify conditions after receiving three (3) consecutive fines, the Customs is entitled to suspend its bonded goods storage privileges for a maximum period of six (6) months:
1. Acceptance and storage of goods prohibited in Article 4;
2. The goods acceptance procedures are not in accordance with the provisions of Articles 16 and 17;
3. Placement of the bonded goods in an exposed or outdoor storage site or area, thus violating the provisions of Article 22; or
4. Bringing in or taking out the machinery and equipment from the bonded warehouse, thus violating the provisions of Article 42.

Article 56 Under any one of the following circumstances, the Customs is entitled to issue a warning to the bonded warehouse under Article 88 of the Customs Act demanding the rectification of conditions within the prescribed deadline or impose a penalty fine between NT$6,000 to NT$30,000 (inclusive). Repeated fines may be imposed for repeated offenses. Moreover, where the bonded warehouse fails to rectify conditions after receiving three (3) consecutive fines, the Customs is entitled to suspend its bonded cargo storage privileges for a maximum period of six (6) months or revoke its registration license:
1. Violation of the provisions of Paragraphs 2 and 3 of Article 5;
2. Failure to pay the required guarantee bond as provided in Article 11;
3. Failure to handle the warehousing and cargo shipment procedures according to the provisions of Paragraph 2 of Article 14; or
4. Processing the release and shipment of goods from the warehouse without

the proper release notice or the permit, as required in Article 23, Article 24, Article 26, Article 30, Paragraph 1 of Article 32, Paragraph 1 of Article 33, and Paragraph 3 of Article 36.

Article 57 Under one of the following circumstances, the Customs is entitled to issue a warning to the bonded warehouse under Article 88 of the Customs Act demanding the rectification of conditions within the prescribed deadline or impose a penalty fine between NT$6,000 to NT$30,000 (inclusive). Repeated fines may be imposed for repeated offenses. Moreover, where bonded warehouse fails to rectify conditions after receiving three consecutive fines, the Customs is entitled to suspend its bonded cargo storage privileges for a maximum period of three (3) months:
1. Failure to comply with the provisions of Article 9;
2. Failure to keep the samples of the goods as prescribed in Paragraph 2 of Article 18 and Paragraph 2 of Article 25;
3. Failure to report over-discharge or short discharge of the goods within the deadline specified in Article 20;
4. Failure to issue and keep the container (goods) note (and release permit) or the transaction voucher as prescribed in Article 27;
5. Failure to prepare the monthly declaration pursuant to the official approval of the Customs officers, as required in the provisions of Paragraph 2, Article 32;
6. Failure to process inspection or testing of the goods as provided in Article 35;
7. Failure to keep a detailed inventory record of the incoming goods, outgoing goods, self-inspection or sampling procedures of the goods as provided in Paragraph 1 of Article 51; or
8. Failure to produce the required statements and reports for Customs examination stamping and information as provided in Paragraph 1 of Article 52.

Article 58 Under any one of the following circumstances, the Customs is entitled to issue a warning to the bonded warehouse under Article 88 of the Customs Law demanding the rectification of conditions within the prescribed deadline or impose a penalty fine between NT$6,000 to NT$30,000 (inclusive). Repeated fines may be imposed for repeated offenses. Moreover, where the bonded warehouse fails to rectify conditions after receiving three (3) consecutive fines, the Customs is entitled to suspend its bonded goods storage privileges for a maximum period of thirty (30) days:
1. Failure to appoint a person in charge of handling bonded matters and operations, as required in the provisions of Article 15;
2. Failure to comply with the provisions of Article 19;
3. Failure to store the goods according to the procedure required in Article 21; or
4. Execution of inspection, survey or sampling of the goods without the official permit required in the provisions of Article 50.

Article 59 In the matter of customs declaration on the monthly consolidated declaration basis, where a self-provided bonded warehouse fails to complete a customs declaration application and submit supporting

documents and process customs clearance within the deadline provided in Paragraph 1 of Article 18 and Paragraph 1 of Article 25, the Customs is entitled to issue a warning to the bonded warehouse under Article 88 of the Customs Law demanding the rectification of conditions within the prescribed deadline or or impose a penalty fine between NT$6,000 to NT$30,000 (inclusive). Repeated fines may be imposed for repeated offenses. Moreover, where the bonded warehouse fails to rectify conditions after receiving three consecutive fines, the Customs is entitled to suspend its cargo acceptance and storage privileges as well as monthly consolidated declaration privileges for a maximum period of three (3) months.

Where a self-provided bonded warehouse loses its autonomous management privileges, the Customs is entitled to revoke its registration license under the provisions of Article 88 of the Customs Act.

Chapter 5 Supplementary Provisions

Article 60 The bonded warehouses having been approved for registration shall be jointly locked by the Customs and the warehouse operator. However, the joint-locking requirement is not applicable to the bonded warehouses approved by the Customs to implement autonomous management and the bonded warehouses located inside an export processing zone, science-based industrial park, agricultural science and technology park, international airport, or the control zone of a harbor.

The Customs is entitled to restore the joint-locking requirement on the bonded warehouses free from the joint-locking requirement, or send Customs officers to be stationed at the warehouses to perform supervision where necessary.

Article 61 Where it is necessary for the Customs to send officers to supervise the loading and unloading of the goods during the warehousing or outgoing shipment procedures, the warehouse operator, the shipping company or airline company shall provide transport vehicle(s) in case of urgent need; where it is necessary for the Customs to send an officer to be stationed at the warehouse to perform supervision, the warehouse operator shall provide the officer with a workplace.

Where the Customs' supervision referred to in the preceding paragraph is imperative, the bonded warehouse operator shall pay a supervision fee according to the provisions of The Regulations Governing Customs Duty Levy.

Article 62 Where the duty and taxes levied on the goods stored in the bonded warehouse have been paid up, or where the goods have been fully transferred to another warehouse, the Customs may, at the request of the bonded warehouse operator, grant its approval of the application filed by the warehouse operator for suspension of operation, and the stipulated official fees shall be exempted during the period of suspension.

Article 63 The escorted transportation and sealing procedures of the incoming and outgoing bonded goods shall be defined by the Customs.

Article 64 Where the bonded warehouses, pursuant to The Regulations

Governing Permission of Trade Between the Taiwan Area and the Mainland Area, store China-made goods which are not approved for importation by the Ministry of Economic Affairs, the supervision guidelines of such goods shall be defined by the Customs.

Article 65 These Regulations shall take effect from the date of promulgation. However, Articles 8 and 9 amended on 28th June, 2006 shall take effect on28th June, 2006.

NOTE

In case of any discrepancy between the English version and the Chinese text of this Statute, the Chinese text shall govern.

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