Content

Title：	Regulations Governing the Certification and Management of the Authorized Economic Operators Ch
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Content：	Chapter 1 General Provisions Article 1 These Regulations are prescribed pursuant to Paragraph 3, Article 19 of the Customs Act. Article 2 Definitions of terms used in these Regulations are as follows: 1. “Authorized Economic Operators” refer to Economic Operators in the supply chain certified by the Customs. There are two types of Authorized Economic Operators, namely “General Authorized Economic Operators” and “Security and Safety Authorized Economic Operators”. 2. “Economic Operators in the supply chain” refer to duty-payers, exporters, manufacturers, customs brokers, freight forwarders, warehouse operators, highway carriers, sea carriers, air carriers involved in the international movement of goods. 3. The “record of serious violation on regulations in the most recent three years” refers to an act of smuggling or false declaration of imported/exported goods committed within a three-year period prior to the application date, and as a result of such act, the amount of tax evasion (including customs duty and the taxes collected on behalf of other agencies), tax over-offset or over-refunded, or the fixed-amount fine for a single case or the aggregate of multiple cases exceeds NTD500,000, or the amount of confiscated goods value for a single case or the aggregate of multiple cases exceeds NTD1,000,000. In the event that violation is caused by operational negligence of other Economic Operators in the supply chain, such violation shall not be counted. Article 3 An Authorized Economic Operator is entitled to apply for providing an affidavit as the substitute of a guarantee of duty and charges to clear customs with payment of duties and charges due on a monthly consolidated declaration basis, provided that: 1. the Authorized Economic Operator has been established pursuant to the Factory Management And Guidance Act and other relevant acts and regulations. 2. the Authorized Economic Operator has been established for over five years, with annual sales of NTD500,000,000 or more in the most recent three years; or the businesses graded by the Customs as an Excellent-grade bonded factory, or those approved by the Customs as a self-management enterprise in Science Parks, Export Processing Zones, or Agricultural Technology Parks, with annual sales of NTD300,000,000 or more in the most recent three

years.
3. the Authorized Economic Operator has an annual import/export performance of USD50,000,000 or more and no record of deficit is found in each of the most recent three years.
4. the Authorized Economic Operator was not given a sanction decision notice from the Customs due to serious violation of regulations in the most recent three years.
Where an Authorized Economic Operator owns both bonded and non-bonded factories and both factories are operated using the same Business Administration Number, the Authorized Economic Operator shall, before applying for the consolidated payment by an affidavit, meet the requirements prescribed in the subparagraph 1, first part of subparagraph 2, and subparagraphs 3 and 4 of the preceding paragraph.
Those applying for the consolidated payment by an affidavit may apply to the Customs with a copy of all documents relating to factory registration and the statements of annual sales in each of the most recent three years.
Article 4 The guarantee referred to in the Regulations shall be provided in one of the following forms:
1. Cash.
2. Bonds issued by the government.
3. Time deposit certificates issued by a bank.
4. Time deposit certificates issued by a credit cooperative.
5. An one-year or more common trust certificate issued by a trust and investment company.
6. A guarantee provided by a financial institution.
7. Any other property approved by Ministry of Finance which is easy for sale and custody, and free from any dispute over proprietary rights.
The security furnished in any of the forms specified in Subparagraphs (2) to (5) and (7) in the preceding paragraph shall be mortgaged or pledged to the Customs.
Article 5 Categories of import and export declarations prescribed in these Regulations shall be announced by Directorate General of Customs, Ministry of Finance and published on the Executive Yuan Gazette.
Authorized Economic Operators shall transmit, in electronic form, the declarations set forth in the preceding paragraph when handling customs clearance of imported/exported goods. Where the customs clearance system is not working properly, paper-based copy may be used.
Chapter 2 Qualifications, Application Procedures and Preferential Measures
Section 1 General Authorized Economic Operators
Article 6 The duty-payer or exporter entitled to apply to Customs for the status of a General Authorized Economic Operator shall:
1. have been awarded certification mark for exporters/importers for excellent trade performance or Excellent Trade Performance Card by Bureau of Foreign Trade (BOFT), Ministry of Economic Affairs; or, have been engaging in business for more than three years, with an average annual input/export performance of no less than USD7,000,000 in the most recent three years;
2. have no confirmed arrears of duty and penalty fine, or unconfirmed arrears of duty and penalty fine with submitting commensurate guarantee; however, for imposing agencies that do not accept guarantee, then will not

be subject to this restriction;
3. have set up a computerized system for export/import procedures and financial management;
4. have processed the connection with the Customs for online declarations, or its commissioned customs broker has connected to the Customs for online declarations.
Article 7 An enterprise applying for the status of a General Authorized Economic Operator shall submit the following documents to the Customs:
1. Application form stating the name of the applicant, Business Administration Number, address, amount of capital, and contact person information of the applicant;
2. Basic information of the applicant and import/export business registration which may be downloaded from the websites of the Department of Commerce or the Bureau of Foreign Trade, Ministry of Economic Affairs;
3. Certificates of the applicant's annual import/export performance in the most recent three years issued by Bureau of Foreign Trade, Ministry of Economic Affairs or by other agencies, private associations delegated or entrusted by Bureau of Foreign Trade; or certification mark for exporters/importers for excellent trade performance or Excellent Trade Performance Card awarded by Bureau of Foreign Trade, Ministry of Economic Affairs.
Documents prescribed in the preceding paragraphs shall be transmitted to the Customs in electronic form, except in special circumstances approved by the Customs.
Article 8 The Customs shall complete the status review within one month from the day following the Custom's acceptance of an application; however, where circumstances need, the Customs may extend the status review time, and the applicant shall be duly informed of such extension. The extension may be taken place once only and should be no more than one month.
The status of a General Authorized Economic Operator shall be valid for a period of three years. The operator may submit documents set forth in the preceding article one month before expiry of the period of status validity to the original Customs which approved the status so as to reapply for status review.
Applications filed pursuant to the preceding paragraph and proved to comply with Paragraphs 3 and 4 of Article 6 by an affidavit may be exempted from Customs examination under Paragraphs 3 and 4.
Article 9 The Customs may offer the following preferential measures for the goods imported or exported by General Authorized Economic Operators:
1. Lower random inspection rate: the regulations governing "brief examination" set forth in the Guidelines for Examination and Inspection of Imported and/or Exported Goods may apply to the imported goods selected for random inspection; exported goods selected for random inspection may be exempted from inspection. However, Authorized Economic Operators which were given a sanction decision notice from the Customs due to serious violation of regulations in the most recent three years are not entitled to the aforesaid preferential measure.
2. Where imported goods may be released upon the provision of guarantees, with payment of duties and charges due on a monthly consolidated declaration basis, except for deposit cases under the Article 18 of the

Act.
3. Authorized Economic Operators which meet all the conditions set forth in Article 3 shall be entitled to apply for providing an affidavit as the substitute of a guarantee set forth in preceding section.
4. Re-imported local goods may apply for release from the Customs with a written affidavit when making declaration, and then be written off against the original export declaration.

Section 2 Security and Safety Authorized Economic Operators
Article 10 A duty-payer or exporter entitled to apply to Customs for the status of a Security and Safety Authorized Economic Operator, aside from meeting the criteria for Economic Operators in the supply chain prescribed respectively in Articles 13, 16 to 22, shall:
1. have proven financial solvency or no poor credit record in the most recent three years;
2. have not been given a sanction decision notice from the Customs due to serious violation of regulations in the most recent three years;
3. have no confirmed arrears of duty and penalty fine, or unconfirmed arrears of duty and penalty fine with submitting commensurate guarantee; however, for imposing agencies that do not accept guarantee, then will not be subject to this restriction;
4. have met the Authorized Economic Operator Security Vetting Items and Validation Criteria;
5. have built the operational procedures and financial data into their computerized system, and have kept auditing record for posterior verification.
Applicants presenting the certificate issued by a domestic or foreign safety certification authority/institution for having passed the inspection, and verified by the Customs, may be exempted from examination concerning the criteria prescribed in Subparagraph 4 of the preceding paragraph. However, certificate obtained by the applicant’s overseas branch shall not be recognized.
The Authorized Economic Operator Security Vetting Items and Validation Criteria, and the domestic or foreign safety certification authority/institution set forth in the preceding paragraph shall be announced by Directorate General of Customs, Ministry of Finance and published on the Executive Yuan Gazette.
Enterprises operating in two or more fields of business may submit separate applications or a joint application.

Article 11 Apart from the documents prescribed respectively in Articles 13, 16 to 22 for Economic Operators in the supply chain, applicants of the status of Security and Safety Authorized Economic Operators shall also submit the following basic documents to the Customs:
1. Application form stating the name of the applicant, Business Administration Number, address, amount of capital, and the information of a contact person.
2. Self-evaluation form for the certification application.
3. Financial reports and statements of the most recent three years as a proof of the financial solvency or relevant documents as proof of no poor

credit record shall be submitted.
Documents prescribed in the preceding paragraphs shall be transmitted to the Customs in electronic form according to regulations, except in special circumstances approved by the Customs.
Article 12 The Customs shall complete the certification processing within three months from the day following acceptance of an application; however, where circumstances need, the Customs may extend the certification processing time, and the applicant shall be duly informed of such extension. The extension may be taken place once only and should be no more than three months.
A certified Security and Safety Authorized Economic Operator shall be issued a Security and Safety Authorized Economic Operator Certificate by Directorate General of Customs, Ministry of Finance through the report of the certification-processing Customs.
The Security and Safety Authorized Economic Operator Certificate shall have a validity period of three years. Certificate holders may submit documents set forth in the preceding article to the Customs three months before the validity period of the certificate expires so as to reapply for status certification.
The Security and Safety Authorized Economic Operator fulfilling the self-examination of Article 27 and having completed the improvement work within the deadline set by the Customs as per Paragraphs 1 and 2 of Article 28, and re-apply for status certification pursuant to the preceding paragraph may be verified by means of random sampling when being examined by the Customs.
Article 13 The duty-payer or exporter meeting the criteria prescribed in Article 6 and Paragraph 1 of Article 10 is entitled to apply to Customs for the status of a Security and Safety Authorized Economic Operator by submitting documents prescribed in Subparagraphs 2 and 3 of Paragraph 1 of Article 7 and Paragraph 1 of Article 11.
Article 14 The Customs may offer the following preferential measures for the goods exported by Security and Safety Authorized Economic Operators:
1. The lowest documentation examination and goods inspection rate.
2. The Customs may exempt the goods from being inspected when it is selected for random inspection. Where inspection is not exempted, the goods shall be given priority in scheduling inspection.
3. The Customs may set up a single contact window for handling cases where goods are not released. The single contact window enables Economic Operators to make enquiry and solve problems pertaining to the customs clearance procedures.
4. May apply for non-intrusive inspection
5. Goods with a declared F.O.B. price of NTD100,000,000 may be released without documentation examination and physical inspection.
Article 15 The Customs may offer the following preferential measures for the goods imported by duty-payers of the Security and Safety Authorized Economic Operators:
1. The lowest documentation examination and goods inspection rate.
2. The regulations governing summary examination set forth in the Standards of Examination of Imported or Exported Goods may apply to the imported goods selected for random inspection, and priority shall be given to the

imported goods selected for random inspection.
3. Where goods may be released upon the provision of guarantees, with payment of duties and charges due on a monthly consolidated declaration basis, except for deposit cases under the Article 18 of the Act.
4. Authorized Economic Operators which meet all the conditions set forth in Article 3 shall be entitled to apply for providing an affidavit as the substitute of a guarantee set forth in preceding section.
5. The Customs may set up a single contact window for handling cases where goods are not released. The single contact window enables Economic Operators to make enquiry and solve problems pertaining to the customs clearance procedures
6. Re-imported local goods may apply for release from the Customs with a written affidavit when making declaration, and then be written off against the original export declaration.
7. May apply for non-intrusive inspection.
8. Goods with a declared Customs Value of NTD100,000,000 may be released without documentation examination and physical inspection.
Article 16 Manufacturers meeting the following criteria are entitled to apply to Customs for the status of a Security and Safety Authorized Economic Operator by submitting the documents prescribed in Paragraph 1 of Article 11 and supporting documents relating to factory registration:
1. Meeting the criteria set forth in Paragraph 1 of Article 10.
2. Established pursuant to the Factory Management And Guidance Act and other relevant acts and regulations.
For manufacturers with Security and Safety Authorized Economic Operator status in one of the Science Parks, Export Processing Zones, or Agricultural Technology Parks or Free Trade Zones and fulfilling one of the following conditions, the Customs may offer the preferential measure of waiving the guarantee deposit:
1. Those with bonded machinery or equipment of a value under NTD10,000,000 to be transported out of the park or zone for commissioned repair, test or assembling test.
2. Those with bonded goods of a value under NTD10,000,000 to be transported to the duty-levying areas for display.
Article 17 Customs brokers meeting the following criteria are entitled to apply to Customs for the status of a Security and Safety Authorized Economic Operator by submitting the documents prescribed in Paragraph 1 of Article 11:
1. Meeting the criteria set forth in Paragraph 1 of Article 10.
2. Established pursuant to the provisions of the Regulations Governing the Establishment and Management of Customs Brokers.
3. Evaluated as Category 1 or Category 2 customs brokers by the Customs according to the Rules for Customs Broker Application for Reduced Ratio of Random Goods Inspection for three years in succession.
Article 18 Freight forwarders meeting the following criteria are entitled to apply to the Customs for the status of a Security and Safety Authorized Economic Operator by submitting the documents prescribed in Paragraph 1 of Article 11:
1. Meeting the criteria set forth in Paragraph 1 of Article 10.
2. Established pursuant to the Regulations for Administrating Ocean Freight

Forwarders or Regulations Governing Air Freight Forwarder.
3. Performance of freight forwarding business in the most recent three years: sea freight forwarding with an annual income of NTD50,000,000 or above or a load quantity of 5,000 tons or above; air freight forwarding with an annual income of NTD100,000,000 or a load quantity of 1,000 tons or above.
4. Freight forwarders running both sea and air freight forwarding businesses shall achieve a total annual income of NTD100,000,000 or above, or a total load quantity of 5,000 tons or above.
Article 19 Warehouse operators meeting the following criteria are entitled to apply to the Customs for the status of a Security and Safety Authorized Economic Operator by submitting the documents prescribed in Paragraph 1 of Article 11:
1. Meeting the criteria set forth in Paragraph 1 of Article 10.
2. Those applied for registration or supervision pursuant to the Regulations Governing the Establishment and Management of Bonded Warehouses, Regulations Governing Customs Clearance for Goods in Logistics Centers, Management Regulations Governing Bonded Business in Export Processing Zones, Regulations Governing the Bonding Operations in Science Parks, Regulations for Bonded Operations in Agricultural Technology Parks or Regulations Governing the Operation and Management of Free Trade Zone Enterprises.
3. Autonomous management import and export warehouses, container terminal yards, bonded warehouses, logistics centers approved by the Customs, and warehouse and logistics operators in the Free Trade Zones.
4. Those with supplemental payment of duties due to stored goods are lost not more than NTD500,000 in total in the most recent three years. But warehouse operators in free trade zones, harbor/airport control area, export processing zones or science parks that have been established for less than three years are not subject to the three-year restriction.
For warehouse operators with Security and Safety Authorized Economic Operator status in one of the Science Parks, Export Processing Zones, or Agricultural Technology Parks or Free Trade Zones and fulfilling one of the following conditions, the Customs may offer the preferential measure of waiving the guarantee deposit:
1. Those with bonded machinery or equipment of a value under NTD10,000,000 to be transported out of the park or zone for commissioned repair, test or assembling test.
2. Those with bonded goods of a value under NTD10,000,000 to be transported to the duty-levying areas for display.
Article 20 Highway carriers meeting the following criteria are entitled to apply to the Customs for the status of a Security and Safety Authorized Economic Operator by submitting the documents prescribed in Paragraph 1 of Article 11 and supporting documents for Subparagraph 2 below:
1. Meeting the criteria set forth in Paragraph 1 of Article 10.
2. Carriers with a motor transportation business license issued by the highway authority pursuant to the provisions of Paragraphs 7 to 9, Article 34 of the Highway Act.
3. Those with comprehensive electronic monitoring and management system for the movement of goods.

Article 21 Sea carriers meeting the following criteria are entitled to apply to the Customs for the status of a Security and Safety Authorized Economic Operator by submitting the documents prescribed in Paragraph 1 of Article 11 and supporting documents for Subparagraph 2 below:
1. Meeting the criteria set forth in Paragraph 1 of Article 10.
2. Established pursuant to the Regulations for Administrating Vessel Carriers and Vessel Chartering Operators.

Article 22 Air carriers meeting the following criteria are entitled to apply to the Customs for the status of a Security and Safety Authorized Economic Operator by submitting the documents prescribed in Paragraph 1 of Article 11 and supporting documents for Subparagraph 2 below:
1. Meeting the criteria set forth in Paragraph 1 of Article 10.
2. Established pursuant to Regulations of Civil Air Transport Enterprise.

Chapter 3 Management

Article 23 An Authorized Economic Operator having been approved to submit an affidavit in lieu of providing a guarantee of duty and charges shall apply for ratification of affidavit liability ceiling amount once a year; such application shall be filed with the original approval Customs one month prior to the expiry of the one-year implementation period, with the required documents prescribed in Paragraph 3 of Article 3. The Customs may exempt the applicant from examination once a recognizance has been given proving the documents are consistent with the previously authenticated original copies.
The affidavit liability ceiling amount mentioned in the preceding paragraph shall not exceed twice the monthly average amount of import duty and charges in the one-year period (January to December) prior to the application date.

Article 24 For the imported goods which duties and charges due are paid by Authorized Economic Operators on a monthly consolidated declaration basis, the Customs shall, by the end of the fifth day of each month, issue a list of duty memos and import declaration forms to the Authorized Economic Operators; the Authorized Economic Operators shall pay the duties and charges due within the legal deadline prescribed in the Act.
Notwithstanding the preceding paragraph, an Authorized Economic Operator may choose to pay the duty and charges on a transaction-by-transaction basis in a month.

Article 25 Where an Authorized Economic Operator applies for submitting an affidavit in lieu of providing a guarantee of duty and charges pursuant to Article 3, the affidavit liability ceiling amount ratified by the Customs shall be restricted to cases where the duties and charges due are paid on a monthly consolidated declaration basis pursuant to the Regulations.
Where an Authorized Economic Operator provides a guarantee of duty payment pursuant to Article 4, the ceiling amount of guarantee provided shall apply to cases which duties and charges are paid on a monthly consolidated declaration basis as set forth in the Regulations or to cases which imported goods are released before duty and charges are paid pursuant to the Regulations Governing the Implementation of Post-release Duty Payment Procedures for Imported Goods.

Article 26 Where Authorized Economic Operators fall in arrears of payment

of import duty and charges or receive a sanction decision notice from the Customs due to violation of regulations, the Customs may impose upon the Authorized Economic Operators a maximum of one-year suspension, in part or in whole, of the preferential measures or the status of Authorized Economic Operator, depending on the level of severity.

Article 27 A Security and Safety Authorized Economic Operator shall perform self-examination at least once a year pursuant to the Security Vetting Items and Validation Criteria set forth in Subparagraph 4, Paragraph 1 of Article 10. The Customs may conduct random inspection from time to time.

Article 28 The Customs, upon discovery of a Security and Safety Authorized Economic Operator's failure to conform to the Security Vetting Items and Validation Criteria, shall issue a notice demanding the operator to make improvement within 30 days.

The Security and Safety Authorized Economic Operator that fails to make improvement within the prescribed deadline set forth in the preceding paragraph may apply to the Customs for extension; however, the extension may take place once only and should be no more than thirty (30) days.

Where the Security and Safety Authorized Economic Operator still fails to make improvement within the deadline prescribed in the preceding two paragraphs, the Customs may suspend the preferential measures in part or in whole, and demand the Authorized Economic Operators to make improvement within a given deadline.

Article 29 The Customs shall revoke a Security and Safety Authorized Economic Operator's status and confiscate the Security and Safety Authorized Economic Operator Certificate or directly announce the revocation of the Certificate upon failure to confiscate it, provided that the Security and Safety Authorized Economic Operator:

1. Serious violation of regulations to which the Customs has given a sanction decision notice.
2. Failure to make improvement within the deadline prescribed by the Customs pursuant to Paragraph 3 of the preceding article.
3. Is confronted with severe deterioration of operation and financial status.
4. Fails to pay off the import duty and charges within a deadline prescribed by the Customs after falling in arrears of payment of the import duty and charges and therefore being subjected to the Customs' maximum one-year period of suspension, in part or in whole, of preferential measures or the status of Authorized Economic Operators.

Once a Security and Safety Authorized Economic Operator's status is being revoked, no re-application for certification is allowed within three years from the date of revocation.

Chapter 4 Supplementary Provisions

Article 30 The Authorized Economic Operators having been approved or certified by a Customs office and the ratified self-executed affidavit liability ceiling amount shall be likewise applicable to all of the Customs offices.

Article 31 The Regulations shall take effect as from the promulgation date, except Paragraph 2 of Article 7 and Paragraph 2 of Article 11 amended and announced on December 31st, 2010, which shall be put into effect on a date separately specified by Ministry of Finance.

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