Content

Title：	Offshore Islands Development Act Ch
Date：	2019.05.22
Legislative：	1.Enacted and Promulgated on April 5, 2000 by the Presidential Order 2.Amended and Promulgated on Feb. 6, 2002 by the Presidential Order 3.Amended and Promulgated on Jan. 9, 2008 by the Presidential Order 4.Amended and Promulgated on Jan. 23, 2009 by the Presidential Order 5.Amended and Promulgated on Dec. 8, 2010 by the Presidential Order 6.Amended and Promulgated on Jan. 12, 2011 by the Presidential Order 7.Amended and Promulgated on June 22, 2011 by the Presidential Order 8.Amended and Promulgated on Jan 9, 2013 by the Presidential Order 9.Amended and Promulgated on Jan 23, 2013 by the Presidential Order 10.Amended and Promulgated on Dec 11, 2013 by the Presidential Order 11.Amended and promulgated per Presidential Order Hua-Zong-(1)-Yi-Zi No. 10300000591 on Jan 8, 2014 12.Amended and promulgated per Presidential Order Hua-Zong-(1)-Yi-Zi No. 10400067461 on June 10, 2015 13.Amended and promulgated per Presidential Order Hua-Zong-(1)-Yi-Zi No. 10800049591 on May 22, 2019

Content： Article 10-1

To promote tourism in Offshore Islands, persons establishing Offshore Island duty-free stores in the Penghu, Kinmen, Matsu, Ludao (Green Island), Lanyu, and Liuqiu areas shall, after obtaining approval from the competent authority of the local county (city) government, apply to the customs authorities for registration to conduct the sale to visitors of goods to be taken out of the Offshore Island area.

Goods imported and stored for sale by Offshore Island duty-free stores shall be bonded and stored in bonded warehouses in accordance with the provisions of the Customs Act.

Goods sold by Offshore Island duty-free stores shall be subject to a zero rate of business tax.

Goods purchased from abroad or from a bonded area that are brought in and stored for sale by an Offshore Island duty-free store, sold to a visitor within the range of a certain monetary value or quantity, and taken by the visitor out of the Offshore Island area, shall be exempted from customs duty, commodity tax, tobacco and alcohol tax, and the health and welfare surcharge on tobacco products.

Bonded goods imported and stored for display and sale to visitors by an Offshore Island duty-free store may be exempted from the requirement for Chinese labeling, except in the case of drugs and medical devices.

Domestically manufactured goods that are brought in and stored for sale by an Offshore Island duty-free store, sold to a visitor within the range of a certain monetary value or quantity, and taken by the visitor out of the Offshore Island area, shall be exempted from commodity tax, tobacco and alcohol tax, and the health and welfare surcharge on tobacco products.

Regulations concerning the qualifying conditions, application procedures, registration of and changes in the establishment of Offshore Island duty-free stores, the monetary values and quantities as referred to in Paragraphs 4 and 6 above, the persons to whom sales may be made, the customs clearance procedures, the management of the delivery of goods, and other matters requiring compliance, shall be prescribed by the Ministry of Finance.

If an Offshore Island duty-free store violates the regulations concerning application for or change or re-issuance of registration, the monetary value and quantity of sales or persons to whom sales may be made, customs clearance procedures, the management of the delivery of goods, or other matters requiring compliance, as referred to in the preceding paragraph, the customs authorities may issue a warning and require correction within a specified time or impose a fine of between NT$6,000 and NT$30,000. A fine may be imposed for each violation. A shop that has been fined three times but has still failed to make the requisite correction may be punished by suspension of business for between three months and one year.

Where the quantity or monetary value of goods sold to a visitor by an Offshore Island duty-free store exceeds the limits as referred to in Paragraphs 4 and 6 above, the buyer may not take the goods out of the Offshore Island area until after making supplementary payment of customs duty, commodity tax, tobacco and alcohol tax, the health and welfare surcharge on tobacco products, and business tax, as calculated in accordance with the provisions of the Customs Act, the Commodity Tax Act, the Tobacco and Alcohol Tax Act, and the Value-added and Non-value-added Business Tax Act.