

Negative List for Investment by Overseas Chinese and Foreign Nationals (Amended on February 8, 2018)

1. Prohibited Industries

<i>Code No.</i>	<i>Scope of Industry</i>	<i>Sub-item of Industry</i>	<i>Description</i>	<i>Competent Authorities</i>	<i>Remarks</i>	<i>Source basis</i>	<i>Prohibited Reasons or Conditions</i>
18	Manufacture of Chemical Material, Fertilizers and Nitrogen Compounds, Plastic and Rubber Materials, Man-made Fibres	1810 Manufacture of Chemical Material	Manufacturing of nitroglycerin for military use (nitroglycerin used in explosive pillars involving public safety)	Ministry of National Defense		Statute For Investment By Overseas Chinese Statute For Investment By Foreign Nationals Wassenaar Arrangement	May negatively affect national security
			Soda-chloride factories operating with mercuric electrolyzers	Ministry of Economic Affairs	National Treatment(Nationals, Overseas Chinese and foreigners are all prohibited.)	Statute For Investment By Overseas Chinese Statute For Investment By Foreign Nationals	May negatively affect environmental protection and human health.
			A category of chemical products in accordance with the prohibition of	Ministry of Economic Affairs; Ministry of National	National Treatment(Nationals, Overseas Chinese and foreigners are	Statute For Investment By Overseas Chinese Statute For	May negatively affect national security

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			chemical weapons of the United Nations	Defense	all prohibited.)	Investment By Foreign Nationals Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction	
			CFC, halon, methylchloroform, carbon tetrachloride	Environmental Protection Administration, Executive Yuan	National Treatment(Nationals, Overseas Chinese and foreigners are all prohibited.)	Regulations for Management of Controlled Chemicals in the Montreal Protocol	Controlled Chemicals in the Montreal Protocol include CFCs, halons, methyl chloroform and carbon tetrachloride and have been banned from production and import in Taiwan, R.O.C.

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							according to the Regulations for Management of Controlled Chemicals in the Montreal Protocol issued by the Environmental Protection Administration, Executive Yuan.
19	Manufacture of Other Chemical Products	1990 Manufacture of Other Chemical Products Not Elsewhere Classified	Gun powder fuse, agents of fire and fulminating mercury	Ministry of National Defense		Statute For Investment By Overseas Chinese Statute For Investment By Foreign Nationals	May negatively affect national security
24	Manufacture of Basic Metals	2499 Manufacture of Other Basic Metals Not Elsewhere	Cadmium smelting	Ministry of Economic Affairs	National Treatment(Nationals, Overseas Chinese and foreigners are all prohibited.)	Statute For Investment By Overseas Chinese Statute For Investment By	May negatively affect Environmental protection and humanhealth.

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		Classified				Foreign Nationals	
29	Manufacture of Machinery and Equipment	2939 Manufacture of Other General-Purpose Machinery	Firearms, weapons manufacturing, arms repair, ammunition, fire-control (exclusive of military aircraft), high-energy weapons systems (such as laser weapons, microwave weapons, and electromagnetic railguns) and other hi-tech weapons systems	Ministry of National Defense		Statute For Investment By Overseas Chinese Statute For Investment By Foreign Nationals	May negatively affect national security
49	Land Transportation	4931 Motor Bus Transportation	including city passenger bus services and highway	Ministry of Transportation and	Overseas Chinese are not prohibited.	Highway Act	1. To ensure the stability of inland transportation

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			passenger services	Communication			2. Consumer protection
		4932 Taxi Transportation					
		4939 Other Bus Transportation	Tour bus services				
54	Postal and Courier Activities	5410 Postal Activities		Ministry of Transportation and Communication	National Treatment(Nationals, Overseas Chinese and foreigners are all prohibited.)	Postal Act	Postal monopoly
60	Programming and Broadcasting Activities	6010 Radio Broadcasting	Radio broadcasting industry	National Communications Commission		Radio and Television Act	The spectrum used by radio and television businesses are considered as scarce resources and owned by the government. In
		6020 Television Broadcasting and Subscription	Radio television industry (exclusive of satellite television broadcasting)				

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		Programming					addition, as both radio and television broadcasting activities play important roles in the preservation of cultural diversity, children ,consumer protection , etc, foreign investment is prohibited.
64	Financial Service Activities	6415 Postal Saving and Remittance Services		Ministry of Transportation and Communication; Financial Supervisory Commission	National Treatment(Nationals, Overseas Chinese and foreigners are all prohibited.)	Postal Remittances and Savings Act	Postal monopoly
69	Legal and Accounting Activities	6919 Other Legal Activities	Public notary services	Judicial Yuan	Overseas Chinese are not prohibited.	Notary Act	Only nationals of the R.O.C. are allowed to serve as civil notaries.

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93	Sports Activities and Amusement and Recreation	9323 Special Amusement Activities		Ministry of Economic Affairs		Statute For Investment By Foreign Nationals	On the basis of protecting public order and good morals .

Note: Overseas Chinese are the Republic of China ("R.O.C.") nationals who reside in a foreign country, not including the persons with Mainland China, Hong Kong or Macau residency status, or persons holding passports issued by Mainland China region.

2. Restricted Industries

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01	Agriculture and Animal Husbandry	0111 Growing of Rice		Council of Agriculture			<ol style="list-style-type: none"> 1. Food security concern 2. In prevention of outflow of varieties and technologies 3. Balance between supply and demand.
		0112 Growing of Cereals (except Rice)	Exclusive of the cultivation of wheat, buckwheat and Job's tears (adlay)				
		0113 Growing of Special Crops	Exclusive of the cultivation of Chinese herbal medicine crops and special crops with health-giving properties (not including tea)				
		0114 Growing of Vegetables	Exclusive of the cultivation of organic vegetables and the cultivation of vegetables using				

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			protected cultivation (limited to plant factories only)				
		0116 Growing of Mushrooms					
		0119 Growing of Other Crops					
		0121 Raising of Cattle					
		0122 Raising of Swine/Pigs	Raising of breed swine				
		0123 Raising of Chickens	Raising of breed chickens				
		0124 Raising of Ducks	Raising of breed ducks				
		0129					
						Land Act	In order to protect the stability and development of domestic animal husbandry, only foreign investment amounting over NT\$ 30 million is allowed to encourage the technology-intensive and capital-intensive investment for innovation development and

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		Other Animal Husbandry					industrial expansion efficiency.
02	Forestry			Council of Agriculture	Overseas Chinese are not prohibited.	Forestry Act Land Act	According to Article 3 of Forestry Act, forests principally belong to the nation. Besides, according to the Paragraph 1, Article 17 of the Land Act, forests shall not be transferred or leased to foreigners. Therefore, foreigners are not suitable to operate forestry. However, the restriction does not apply to nationals of the R.O.C..
03	Fishing and Aquaculture			Council of Agriculture		Fisheries Act	As a small and highly-populated island with limited water and land resources, Taiwan' s coastal and offshore fishery resources have

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							been declining and the high seas fishery resources are regulated by Regional Fisheries Management Organization (RFMOs). In order to ensure Taiwanese fisherman' s right to operate fisheries and aquaculture, the foreign investment of fisheries and aquaculture should be restricted.
10	Manufacture of Tobacco Products			Ministry of Finance	National Treatment(Nationals, Overseas Chinese and foreigners are all restricted.)	The Tobacco and Alcohol Administration Act	According to Article 10 of The Tobacco and Alcohol Administration Act, an investor applying to establish a tobacco or alcohol producer shall fill out an application form and a production and

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							operations plan and submit them to the central competent authority to apply for a permit of establishment, and within two years from the day on which it obtains the aforesaid permit, shall submit its factory registration and related evidentiary documents to the central competent authority to apply for issuance of a license permit. Production and operation may begin only after the license permit is obtained.
18	Manufacture of Chemical Material, Fertilizers and	1810 Manufacture of Chemical	Manufacturing of nitroglycerin (not used in gun powder and	Ministry of National Defense		Statute For Investment By Overseas Chinese Statute For Investment	Although foreign investors can invest in the manufacturing of nitroglycerin, not used

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	Nitrogen Compounds, Plastic and Rubber Materials, Man-made Fibres	Material	explosive pillars involving public safety)			By Foreign Nationals	in gun powder and explosive pillars, considering national security and public safety, the investment should be restricted.
27	Manufacture of Computers, Electronic and Optical Products		Military instrument and equipment	Ministry of National Defense		Statute For Investment By Overseas Chinese Statute For Investment By Foreign Nationals	Although foreign investors can provide capital, technology and management skill, considering the investment in military instrument and equipment could affect national security and the development of defence-related science and technology, the investment should be restricted.
31	Manufacture of Other Transport Equipment and Parts	3190 Manufacture of Other Transport Equipment and Parts Not Elsewhere Classified	Manufacture, repair and assemble of military aircraft	Ministry of National Defense; Ministry of Economic Affairs		Statute For Investment By Overseas Chinese Statute For Investment By Foreign Nationals	
33	Other Manufacturing	3399 Other Manufacturing	Processing of ivory	Council of Agriculture	National Treatment(Nationals,	Wildlife Conservation Act	1. No import or export of live wildlife or protected

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		Not Elsewhere Classified			Overseas Chinese and foreigners are all restricted.)		wildlife products are allowed without prior approval from the NPA. 2. Protected wildlife and its products shall not be traded, displayed or exhibited in public areas without the permission of the authorities.
35	Electricity and Gas Supply	3510 Electricity Supply	Electricity Transmission and Distribution Enterprise	Ministry of Economic Affairs		Electricity Act Privately Owned Public Utilities Supervisory Act	Since electricity distribution is part of public utility that is closely related to public interest, foreigners and Overseas Chinese are restricted to invest in this business.
		3520 Gas Supply	Piped fuel gas supply	Ministry of Economic Affairs		Natural Gas Enterprise Act	Foreigners shall not be the founders, directors, or supervisors of the

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							enterprise.
36	Water Supply	3600 Water Supply	Tap water supply	Ministry of Economic Affairs		Water Supply Act Water Act Regulations on governing exclusive operation right of water supply enterprises	Public service
50	Water Transportation	5010 Ocean Transportation	Transport by ship	Ministry of Transportation and Communication	Overseas Chinese are not restricted.	Shipping Act The Law Of Ships The Seafarer Act Regulations Governing the Management and Employment of Foreign National Seafarer	1. Any individual desiring to engage in maritime transportation as a vessel carrier shall apply to the shipping administration authority for examining and submitting to MOTC for approval of the organization of the company by enclosing (1)business plan,
		5020 Inland and Lake Transportation					

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							<p>(2)specifications of construction or purchase of vessels, (3)total capital and(4) plan of raising funds and (5)other relevant documents.</p> <p>The vessel carrier shall complete by law the Registration of Company, prepare at least one R.O.C.-flagged vessel and file relevant documents within six (6) months from the approval of organization establishment. The vessel carrier shall then make an application to the</p>

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							<p>shipping administration authority for examining and submitting to MOTC to issue a Vessel Carrier Permit, and only with that may the vessel carrier be allowed to commence its commercial activities.</p> <p>2. Unless a foreign vessel carrier establishes a branch by law or commissions a R.O.C. shipping agency as its agent, no foreign vessel carrier shall solicit passengers and</p>

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							<p>cargoes in R.O.C. territory.</p> <p>3. A ship may apply for registering as a R.O.C.-flag ship Under any one of the following conditions: 3. The ship is owned by any of the following companies, which are established under the R.O.C. laws, with principal offices situated within the R.O.C. territory: (4) A company limited by shares, of which the chairman of the board and at least half of the directors are R.O.C. nationals, and at least half of</p>

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							<p>the capital is owned by R.O.C. nationals.</p> <p>4. Foreign employers can hire the R.O.C. seafarers only after applying to the shipping administration authority for approval. The regulations on the qualifications and application procedures , conditions of approval, revocation, duties, employment, employment management and other relevant matters shall be prescribed by the competent</p>

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							<p>authority.</p> <p>5. Vessel owners or operators shall first consider qualified domestic seafarers before employing foreign national seafarers.</p>
51	Air Transportation	5100 Air Transportation		Ministry of Transportation and Communication	- Overseas Chinese are not restricted.	Civil Aviation Act	<p>1. Provision of specialty air services other than services supplied by general aviation enterprises is prohibited in the the R.O.C.. General aviation enterprises must be established in the R.O.C., subject to approval by MOTC, and foreign investment in civil air transport</p>

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							<p>enterprise and general aviation enterprise shall be in the following juridical form and not exceed the following thresholds:</p> <p>(1) Unlimited company with the entire body of its shareholders being citizens of the R.O.C.</p> <p>(2) Limited company with over 50 percent of capital owned by citizens or legal persons of the R.O.C. and represented by</p>

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							<p>directors who are citizens of the R.O.C.</p> <p>(3) Company formed by shareholders of both limited and unlimited liabilities, whose unlimited liability shareholders are citizens of the R.O.C.</p> <p>(4) Company limited by shares with over 50 percent of its total shares owned by citizens or legal persons of the R.O.C, whose chairman and</p>

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							<p>over 50 percent of the directors are citizens of the R.O.C; provided that no single citizen or legal person of a foreign country may hold more than 25 percent of its total shares.</p> <p>2. The above rules shall apply to the general aviation enterprise.</p>
52	Supporting Activities for Transportation	5260 Service Activities Incidental to Air Transportation	Airport ground services, air catering services and airport operation and management service	Ministry of Transportation and Communication	<p>1. Overseas Chinese are not restricted.</p> <p>2. Except as otherwise provided</p>	Civil Aviation Act	<p>1. Foreign investment in an airport ground handling service company or a catering service company has been described in Civil</p>

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					in relevant treaties or agreements.		<p>Aviation Act. An airport ground handling service shall be formed as a company organization in compliance with the following rulings:</p> <p>(1) Unlimited company with the entire body of its shareholders being citizens of the R.O.C..</p> <p>(2) Limited company with over 50 percent of capital owned by citizens or legal persons of the R.O.C. and</p>

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							<p>represented by directors who are citizens of the R.O.C..</p> <p>(3) Company formed by shareholders of both limited and unlimited liabilities, whose unlimited liability shareholders are citizens of the R.O.C.</p> <p>(4) Company limited by shares with over 50 percent of its total shares owned by citizens or legal persons of the R.O.C., whose</p>

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							<p>chairman and over 50 percent of the directors are citizens of the R.O.C; provided that no single citizen or legal person of a foreign country may hold more than 25 percent of its total shares.</p> <p>2. Stocks issued by company limited by share must be registered by name. If otherwise provided for under a treaty or agreement, airport ground handling service shall not be bound by</p>

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							<p>restrictions in the 2 preceding paragraphs.</p> <p>3. The above rules shall apply to the air catering service.</p>
60	Programming and Broadcasting Activities	6020 Television Broadcasting and Subscription Programming	Satellite television broadcasting (provision of satellite television Programming)	National Communications Commission		Satellite Broadcasting Act	The total shares of a satellite broadcasting business directly held by foreign shareholders shall be less than 50 percent of the total shares issued by the said business.
61	Telecommunications		Cable television services, satellite television broadcasting (direct broadcast satellite TV service) and/or Type-I telecommunicatio	National Communications Commission		Cable and Television Act Satellite Broadcasting Act Telecommunications Act	The number of a system operator' s directors with R.O.C. nationality shall not less than two-third of the total number of directors. The same rule shall apply to the supervisors.

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			ns enterprise				<p>The chairman of the system operator shall possess the R.O.C. nationality.</p> <p>Total direct and indirect foreign investment in a company operating a cable radio and/or television system shall be less than 60 percent of the total shares issued by the company.</p> <p>Direct foreign shareholding is limited to legal entities; the total shares directly held by foreign shareholders shall not exceed 20 percent of the total shares issued.</p> <p>The total shares of a satellite broadcasting business directly held by foreign shareholders</p>

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							<p>shall be less than 50 percent of the total shares issued by the said business.</p> <p>The chairman of the Board of a Type I telecommunications enterprise shall be a nationals of the Republic of China. The total direct shareholding by foreigners may not exceed forty-nine percent, and the sum of direct and indirect shareholding by foreigners may not exceed sixty percent.</p>
69	Legal and Accounting Activities	6912 Scrivener Activities	Land registration services	Ministry of the Interior		Land Administration Agent Act	Only a national of the R.O.C. who has passed the examination and is issued with the

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							certificate of Land Administration Agent is allowed to serve as a Land Administration Agent.

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