

Tourism Bureau, MOTC, Directions on Subsidizing Overseas Regular Charter Flights to Taiwan for the Promotion of Sustainable Travel and Tourism in the Hualien-Taitung Region

Promulgated on January 9, 2018 by Order Guan-Guo-Zi No. 10610110721 of the Tourism Bureau, Ministry of Transportation and Communications

1. These Directions are established by the Tourism Bureau, Ministry of Transportation and Communications (hereinafter “the Bureau”) for the purpose of implementing the Hualien-Taitung Sustainable Travel & Tourism Autonomous Gateway Integrated Marketing Plan.
2. The targeted recipients of subsidies under these Directions are airline companies operating international charter flights or travel agencies registered by the local country’s competent authority or registered in Taiwan and authorized to operate international charter flights, and which send tourists to Taiwan and organize international charter flights. But subsidies for the costs of charter flights from the Mainland Area are limited to travel agencies that have been approved by the Bureau to arrange for Mainland Area residents to come to Taiwan for tourism, and that have not within the last three years been penalized by the Bureau for poor quality of service.
3. Terms used in these Directions are defined as follows:
 - (1) Charter flight: Refers to a charter flight bringing tourists to Taiwan from an airport outside Taiwan with no scheduled flights, or that has been specially approved by the Bureau.
 - (2) Charter flight passenger: Refers to a passenger on a charter flight who is an Overseas Chinese or person of another country and does not hold citizenship of or permanent residency in the Republic of China.
4. Applications for charter flight subsidies under these Directions are to cover round trips.

In the case of regular charter flights making round trips at least twice a week for at least four months in succession, on emerging routes of direct flights to and from Hualien or Taitung Airports without scheduled routes, the first twenty-eight round trips may be subsidized. The amount of the subsidies shall be calculated as follows:

- (1) Foreign passengers where the actual number carried is above one hundred persons: For Japan and Korea, the subsidy for each round trip is NT\$300,000; for Southeast Asia (excluding the Philippines), the subsidy for each round trip is NT\$250,000; for Hong Kong, Macau, the Philippines, other passenger source countries, and the Mainland Area, the subsidy for each round trip is NT\$150,000.
- (2) For each round trip with 140 or fewer passenger seats, with foreign passengers numbering fewer than one hundred but the passenger load factor reaching 70 percent, the subsidy may be given in accordance with the amounts for each passenger source market as specified in the preceding subparagraph, according to the ratios of the number of passengers.
- (3) For each round trip with more than 140 passenger seats, with foreign passengers numbering fewer than one hundred per 140 passenger seats, and with the foreign

passenger load factor reaching 70 percent: For Japan and Korea, a subsidy of NT\$800 per foreign passenger per one-way journey; for Southeast Asia (excluding the Philippines), a subsidy of NT\$600 per foreign passenger per one-way journey; for Hong Kong, Macau, the Philippines, other passenger source countries, and the Mainland Area, a subsidy of NT\$400 per foreign passenger per one-way journey.

For a charter flight paired with a scheduled flight, the amount of the subsidy for the charter flight costs is calculated at one half of the amount as stipulated in Paragraph 2.

The exchange rate conversion method for subsidy applications by Taiwan's domestic travel agents or airline companies takes the Bank of Taiwan's reference rate for spot exchange on the day of the charter flight's arrival in Taiwan as the basis for conversion into NT dollars. If that day is a holiday, conversion is at the exchange rate of the previous working day. But where an applicant under the preceding paragraph did not use a charter flight to come to Taiwan, the exchange rate for conversion is that of the day of departure.

5. The application procedure and documentary requirements are as follows:
 - (1) Applications in respect of charter flights are to be handled according to the relevant provisions of the Regulations Governing Civil Air Transport Enterprises, the Regulations Governing Foreign Civil Air Transport Enterprises, and the Regulations Governing the Approval of Direct Air Transport Between the Taiwan Area and the Mainland Area.
 - (2) Applicants for charter flight subsidies shall, fifteen days before the date of the charter flight's departure, submit a Charter Flight Application Form (see Appendix) and passenger enlistment plan to an overseas office of the Bureau, to be forwarded to the Bureau for examination and approval. Applications by travel agencies or airline companies in Taiwan shall be submitted directly to the Bureau for examination and approval. In case an application has been submitted to the Bureau for a subsidy under another market promotion program, no further application may be submitted under the provisions of these Directions.
 - (3) Each time a charter flight subsidy application is submitted for two or more round trips on the same route, the total flights that may be covered by the application are limited to those within 120 days of the departure date of the first flight.
6. The screening criteria and operational procedure are as follows:
 - (1) The Bureau's overseas office shall conduct a preliminary screening of the content of charter flight applications (including the itinerary, the proposed number of people to be enlisted, the apportionment of expenses, etc.). Those that meet the requirements shall be forwarded to the Bureau for confirmation of approval.
 - (2) Applications submitted to the Bureau shall be processed by the International Affairs Division.
7. Subsidy recipients shall, within one month after completing the execution of their plan, submit results feedback, proofs of the charter flight issued by the airline company including the arrival and departure airports and number of passengers, a declaration by the subsidy recipient that the charter flight passengers were not Overseas Chinese or people of other countries holding citizenship of or granted permanent residency in the

Republic of China, a list of all actual expenses, and receipts for subsidized expenditures issued in the name of the travel agency or airline company, to the Bureau's overseas office, to be organized and checked and then sent to the Bureau for verification and appropriation.

Where the subsidy is for an airline company, in addition to the information described above, it shall also submit flight certification documents to the Bureau for verification.

Where the passenger source market of a charter flight is the Mainland Area, the supporting documents for high quality of tour itinerary, traveler name list, and accommodation for more than one day in the county/city of the flight arrival and departure, as filed for reference with the Bureau, plus indication of consumption days, shall also be submitted to the Bureau for verification.

8. All necessary expenditures for subsidies under these Directions shall be paid from the budget for the Hualien-Taitung Sustainable Travel & Tourism Autonomous Gateway Integrated Marketing Plan.

When the current year's charter flight subsidy budget is exhausted, the Bureau may publicly announce its stoppage of accepting applications.

9. The Bureau's overseas offices shall be responsible for superintending and guiding charter flight applications. If they discover that the results are poor, or that subsidies have not been used for their proper purpose, or any misrepresentation or reporting of inflated figures, or that an application has been made to the Bureau for subsidy under another market promotion program, or other such matter, they shall require repayment of the relevant part of the subsidy payment, and depending on the severity of the situation, may also terminate the subsidizing of such subsidy cases.

Where subsidy payment involves a matter of procurement, it shall be handled in accordance with the Government Procurement Act and related regulations.

After the conclusion of this program, the Bureau shall evaluate the situation of its expenditure, with a view to raising business efficiency.

10. Applications provided for in these Directions, except as otherwise stipulated in these Directions, shall be limited to an application period up to December 31, 2019.