

Directions of Incentives for the Promotion of Charter Flights to Taiwan by Overseas Carriers, Tourism Bureau, MOTC

1. These Directions are established by the Tourism Bureau, Ministry of Transportation and Communications (hereinafter “the Bureau”), for the purpose of subsidizing charter flights to Taiwan from worldwide.
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, in accordance with the provisions of the Regulations Governing Permission for People from the Mainland Area to Come to Taiwan for Tourism, 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 service by having such approval suspended for a cumulative total of above three months.
3. Terms used in these Directions are defined as follows:
 - 3.1 Charter flight: Refers to a charter flight bringing tourists to Taiwan from an airport outside Taiwan with no regularly scheduled flights and no regularly scheduled charter flights [on the route], or that has been approved as a special case by the Bureau.
 - 3.2 Charter flight passenger: Refers to a passenger on a charter flight who is an overseas compatriot or person of another country and does not hold citizenship of or permanent residency in the Republic of China, and who stays in Taiwan for at least two days.
4. Applications for charter flight subsidies under these Directions are to cover round trips.

The amount of charter flight subsidies shall be calculated according to the provisions set out below. For each round-trip charter flight with more than 140 passenger seats but carrying fewer than 100 passengers, no

subsidy shall be given. For those with 140 or fewer passenger seats but with a passenger load factor reaching 70 percent, a subsidy may be approved in proportion to the number of passengers.

4.1 For charter flights from Hong Kong, Macau and places other than the Mainland Area, the subsidy amount shall be as follows:

A. Arriving at and departing from Taiwan Taoyuan International Airport:

- a. For Japan, 750,000 yen.
- b. For Korea, 4.5 million won.
- c. For places other than Japan and Korea, 3,000 US dollars.

B. Arriving at and departing from airports other than Taiwan Taoyuan and Taipei Songshan:

- a. For Japan, 1.25 million yen.
- b. For Korea, 8.5 million won.
- c. For Southeast Asia (excluding the Philippines), 8,000 US dollars.
- d. For Hong Kong, Macau, the Philippines, and other passenger source countries, 5,000 US dollars.

C. For Southeast Asia (excluding the Philippines) as referred to in the preceding Item, charter flights to complement international activities of the Taichung World Flora Exposition, arriving at and departing from Taichung, Chiayi, Tainan or Kaohsiung airports between October 1, 2018 and March 31, 2019, an additional subsidy of 1,000 US dollars.

4.2 For charter flights with Mainland China as the passenger source market, which arrive at and depart from airports other than Taiwan Taoyuan and Taipei Songshan, and the passengers of which stay in accommodation for one day or more in the county or city of the flight arrival and departure, 160,000 NT dollars.

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:

5.1 Applications in respect of charter flights shall 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.

5.2 Applicants for charter flight subsidies shall, fifteen days before the start of the charter trip, submit a Charter Flight Application Form (as appended to these Directions) 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 airlines in Taiwan shall be submitted directly to the Bureau for examination and approval.

5.3 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 45 days of the start of the first trip.

6. The review criteria and operating procedure are as follows:

6.1 The Bureau's overseas offices shall conduct a preliminary review of the content of charter flight applications (including the charter flight's itinerary, the number of passengers proposed for enlistment, and the apportionment of expenses). Those that meet the requirements shall be forwarded to the Bureau for confirmation of approval.

6.2 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 data of the results, proofs of the charter flight issued by the airline company including the arrival and departure airports and the number of passengers, a declaration by the subsidy recipient that the charter flight passengers were not overseas compatriots or people of other countries holding citizenship of or permanent residency in the Republic of China, a list of the total amounts 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 tour itinerary, traveler name list, and proof of accommodation for one day or more in the county or 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 covered under a budget from the Bureau's Tourism Development Fund.

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, then in addition to requiring repayment of the relevant part of the subsidy payment, they may also, depending on the severity of the case, terminate the subsidizing of such subsidy cases for between one and five years.

Where a charter flight subsidy application is for two or more round trips on the same route, and the total number of foreign travelers actually entering the country is lower than fifty percent of the total maximum

passenger capacity, five percent shall be deducted from the subsidy payment.

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.

