

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

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 in 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, in accordance with the Regulations Governing the Approval of People of the Mainland Area Visiting Taiwan for Purposes of Tourism, and that have not within the last three years been penalized by the Bureau with suspension of their business of arranging for Mainland Area residents to come to Taiwan for tourism, suspended for a cumulative total of three months or more.
3. Terms used in these Directions are defined as follows:
 - (1) Charter flight: Refers to a charter flight bringing tourists to an airport in the Hualien-Taitung Region 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 right of residency in the Republic of China.

4. The subsidy amount for the subsidizing of charter flight costs under these Directions shall be calculated according to the provisions set out below. For a round-trip charter flight with a passenger load of less than 100 people, no subsidy shall be given.

- (1) Where arriving charter flight passengers' actual seat occupancy reaches at least 50 percent: For Japan, a subsidy of 350,000 NT dollars per round-trip; for Korea and Southeast Asia (excluding the Philippines), a subsidy of 300,000 NT dollars per round-trip; for Hong Kong, Macau, the Philippines, other customer source countries and the Mainland Area, a subsidy of 250,000 NT dollars per round-trip.
- (2) For each round-trip where arriving charter flight passengers exceed 50 percent of passenger seats, an additional subsidy of 600 NT dollars per passenger for those above 50 percent.
- (3) To complement Eastern Taiwan's tourism events for seeing in the new year and welcoming the year's first dawn, and also 2019 Lantern Festival events, prior to February 28, 2019, where arriving charter flight passengers' actual seat occupancy does not reach 50 percent but reaches 30 percent or above, a subsidy may be granted at 40 percent of the amounts specified for the respective passenger source markets as prescribed in Subparagraph 1.

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 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
 - (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 airline companies in Taiwan shall be submitted directly to the Bureau for examination and approval. In cases where 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 60 days of the start of the first trip
6. The review criteria and operating procedure are as follows:
 - (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.

- (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, documentary proof issued by the airline company of the number and name list of passengers carried to the arrival airport, a declaration by the subsidy recipient that the charter flight passengers were not overseas compatriots or people of other countries holding citizenship of or right of 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
 - (1) 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.
 - (2) Where the passenger source market of a charter flight is the Mainland Area, the supporting documents for tour itinerary, traveler name list, and accommodation for one day or more in the county/city of the flight arrival and departure, as reported to 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.