

Directions for the Taiwan Tourism Administration's Incentives for the Promotion of Visits to Taiwan by Overseas Cruise Ships

1. Purpose: To actively compete for cruise ships from around the world that bring passengers from other countries as well as from mainland China (including Hong Kong and Macau) to stop in Taiwan, the Tourism Administration (hereinafter "the Administration"), Ministry of Transportation and Communications, has formulated this incentives and subsidies program.
2. Target of the program: Foreign-registered and -owned cruise lines from overseas countries or mainland China (including Hong Kong and Macau).
3. Definition of cruise ships and cruise ship passengers:
 - 3.1 Cruise ships: Overseas or mainland Chinese (including Hong Kong and Macau) passenger ships that are used for leisure voyages, where the voyage itself and the ship's amenities are part of the experience, as well as the different destinations (ports-of-call) along the way, and that transport passengers from overseas areas to Taiwan.
 - 3.2 Cruise ship passengers: Passengers who are citizens of a foreign country or mainland China (including Hong Kong and Macau), but not including the crew.
4. Conditions for qualifying for incentives and subsidies:
 - 4.1 Visits to one or more ports in Taiwan by overseas cruise ships are counted as one ship-call and cruise ships will receive a subsidy for each ship-call. Each cruise company can apply for this subsidy for a maximum of fifteen ship-calls per year (January 1 to December 31 of the current year).
 - 4.2 The amount of subsidy will be based on the total duration

of stay in Taiwan for each ship-call. Overseas cruise ships which berth in Taiwan for more than 12 hours will receive a subsidy of up to US\$15,000 for each ship; those that stay for less than 12 hours will receive a subsidy of up to US\$7,500.

- 4.3 Excluded are ships chartered by businesses, travel agencies or others. Applicants may not apply for this subsidy in combination with the Administration's other subsidy or promotional programs.
- 4.4 The subsidy must be used for overseas marketing programs and product development.
- 4.5 Cruise ships that wish to apply for the subsidy must complete their ship calls in Taiwan by December 31 of the current year, except for those unable to complete their ship calls in Taiwan due to reasons not attributable to the cruise lines.

The marketing programs and product development mentioned in Article 4.4 refer to advertising, travel fair participation, trade show marketing, promotional activities (such as road shows in target source markets), media and familiarization tours, themed cruises, or other purposes that are specially approved by the Administration.

5. Application and Examination Procedures:

- 5.1 Cruise ships should follow Taiwan's laws and regulations governing commercial ports, the shipping industry and shipping in applying for permission to enter and leave Taiwan's ports.
- 5.2 Applications may be submitted by the cruise company (including its branch offices) or its Taiwan agent. The application must be submitted at least two months prior to the first eligible ship call (see Appendix 1) to one of the

Administration's overseas offices (either at the location where the cruise company is based, at a location where the cruise company has a stopover, or at a nearby office), so that it can be forwarded to the Administration for verification. If the applicant or any related person is a public servant of the Republic of China (Taiwan), they must provide the Disclosure Form for Public Servants and Related Persons of a Public Servant, as well as an affidavit in accordance with the Act on Recusal of Public Servants Due to Conflicts of Interest, as stipulated in Article 14 of the law. The application deadline is October 31 of the current year.

5.3 The Administration's overseas offices will make an initial assessment of an application based on its content (the nationality of the cruise ship, the itinerary, estimated duration of stay in Taiwan, estimated number of passengers, how the subsidy will be used, and other relevant information). Applications that meet the requirements will be forwarded to the Administration for approval.

6. Source of funds: The source of funds for the subsidies and the costs of running this subsidy program come from the Administration's tourism development budget. The subsidy will be granted on a first-come, first-served basis.

7. Reimbursement Procedures:

7.1 Upon completion of their ship-calls, cruise lines that have been approved to receive the subsidy should invoice the Administration within 3 months from the date of the last ship-call in Taiwan (See Appendix 2). The date also applies to the ones that failed to complete their ship-calls in Taiwan for reasons that cannot be attributed to the cruise lines. Those that failed to complete their ship-calls in Taiwan should present the supporting documents for the reasons that cannot be attributed to the cruise lines, i.e. natural

disaster, adverse weather conditions, notifiable communicable disease, etc.

7.2 Cruise lines or their representative agencies are required to present a full set of the following supporting documents/materials together with a master invoice for verification:

7.2.1 The cruise ships' berthing records at the respective terminals in the concerned ports,

7.2.2 A passenger profile analysis based on the available parameters of the concerned sailings,

7.2.3 The cruise ship's actual itinerary,

7.2.4 Tear sheets of advertisements, promotional leaflets, photographs, footage and/or other supporting materials of the approved marketing activities/product development programs together with the original copies of master invoices.

7.2.5 In case there are third-party vendors, photocopies of invoices from the vendors to the cruise company are needed to support the actual amount spent on the approved marketing activities/product development programs.

After the Administration's overseas offices review and verify the supporting documents submitted, they will be forwarded to the Administration for approval of the invoiced amount. The cruise ships that fail to complete their ship-calls in Taiwan for reasons that cannot be attributed to the cruise lines are not required to present Article 7.2.1 to 7.2.3.

7.3 The amount of subsidy approved will be based on the actual berthing time referred to in Article 4.2, but will not exceed the amount of actual expenditures referred to in

Article 4.4. The payment will be directly made into the U.S. dollar account provided by the cruise company. The cruise ships that fail to complete their ship-calls in Taiwan for reasons that cannot be attributed to the cruise lines will receive a subsidy of up to US\$7,500, referred to in Article 4.2.

8. Those eligible for subsidies must submit applications and complete supporting material within the period mentioned in Article 5 and Article 7. Late submission of the above mentioned invoices and documents will not be accepted and may render the funding approval void, except for the cruise ships that fail to complete their ship-calls in Taiwan for reasons that cannot be attributed to the cruise lines.
9. Directions and inspections: The Administration's overseas offices are responsible for giving instructions to applicants. Should the following incidents occur, the offices should forbid the applicant from applying for subsidies for one year:
 - 9.1 False reporting or inflating of the duration of stay in Taiwan will necessitate the return by the cruise company of the relevant portion of the subsidy received.
 - 9.2 In case the actual duration of stay in Taiwan is 70 percent or less than the hours indicated in the cruise company's initial application, 5 percent of the subsidy to be awarded will be deducted, so as to encourage cruise ships to achieve their goal for the duration of stay hours.