

MOTC Tourism Administration Directions on Promoting Overseas Tourist Charter Flights to Taiwan

1. These Directions are established by the Tourism Administration (formerly the Tourism Bureau), Ministry of Transportation and Communications (hereinafter “the Administration”), regarding subsidizing inbound charter flights to Taiwan.
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. However, 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 Administration 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 Administration for poor quality of service by having such approval suspended for a cumulative total above three months.
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 regularly scheduled flights and no regularly scheduled charter flights [on the route], or that has been approved as a special case by the Administration.
 - (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 each charter flight subsidy shall be calculated according to one of the provisions selected from those set out below:
- (1) Arrival and departure from Taiwan Taoyuan Airport: For each round-trip charter flight with more than 140 passenger seats carrying fewer than 100 passengers, no subsidy shall be given. For flights with 140 or fewer passenger seats but with the passenger load factor reaching 70%, a subsidy will be provided in proportion to the number of passengers. Subsidies are as follows:
 - A. For Japan, ¥850,000.
 - B. For Korea, ₩5 million.
 - C. For the Russian Far East, US\$6,000.
 - D. For other places (including Hong Kong and Macao, but excluding the Mainland Area), US\$3,000.
 - (2) For flights arriving at or departing from airports other than Taipei Taoyuan or Taipei Songshan airport, a subsidy shall be provided in the amounts listed below if the load factor is 70% or more. If the load factor is in the range of 50-70%, the subsidy shall be based on the amount below pro-rated based on the actual load factor. The subsidy levels are as follows:
 - A. For Japan, ¥1.65 million.
 - B. For Korea, ₩10.45 million.
 - C. For Southeast Asia (excluding the Philippines) and the Russian Far East, US\$8,800.
 - D. For other places (including Hong Kong and Macao, but excluding the Mainland Area), US\$5,500.
 - (3) For charter flights between the Mainland Area as the

passenger source, which arrive at and depart from airports other than Taiwan Taoyuan and Taipei Songshan Airport, and the passengers of which stay in accommodation for one day or more in the county or city of the flight arrival and departure, a subsidy of NT\$160,000.

(4) For long-haul charter flights having a one-way flight time of six hours or more (as calculated from the scheduled take-off to landing times) and for a stay of at least six days and five nights, the subsidy shall be calculated according to the following provisions, with the amount of the subsidy for each round trip limited to a maximum of US\$30,000:

A. Where the actual number of passengers carried is 50 or fewer, a subsidy of US\$100 per passenger.

B. Where the actual number of passengers carried is between 51 and 140, a subsidy of US\$125 per passenger.

C. Where the actual number of passengers carried is 141 or more, a subsidy of US\$160 per passenger.

(5) For airports without scheduled international flights arriving or departing:

A. For arriving charter flights that carry 50 or more passengers: from Japan, a subsidy of NT\$175,000; from Korea, Southeast Asia (excluding the Philippines) and the Russian Far East, a subsidy of NT\$150,000; from the Mainland Area, Hong Kong, Macau, the Philippines, and other passenger source countries, a subsidy of NT\$125,000.

B. For each round-trip charter flight with more than 50 passengers, an additional subsidy of NT\$600 can be

given for each passenger entering Taiwan.

For charter flights combined with regular flights, the reward amount for charter flights shall be calculated based on one-half of the previous two regulations.

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 the spot exchange on the day of the charter flight's arrival in Taiwan as the basis for conversion to 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 Administration, to be forwarded to the Administration for examination and approval. Applications by travel agencies or airlines in Taiwan shall be submitted directly to the Administration for examination and approval.
 - (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:

- (1) The Administration'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 Administration for confirmation of approval.
- (2) Applications submitted to the Administration shall be processed by the International Affairs Division.
- (3) If the award case is approved, the award recipient cannot apply to this Administration for subsidies for other promotion programs.

7. Subsidy recipients shall, within one month after completing the execution of their plan, submit data of the results, proof 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 Administration's overseas office, to be organized and checked and then sent to the Administration 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 Administration 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 proof of accommodation for one day or more in the county/city of the flight arrival and departure, as filed for reference with

the Administration, plus indication of consumption days, shall also be submitted to the Administration for verification.

For Part 4(2) above, for passengers arriving at or departing from airports other than Taipei Taoyuan International or Songshan Taipei, if a passenger stays in the county/city of arrival or departure for more than one day the operator can apply for an increase of 10% in the subsidy. Supporting documents demonstrating a stay of one day or more shall be sent to this Administration for verification.

8. All necessary expenditures for subsidies under these Directions shall be covered under a budget from the Administration's Tourism Development Fund.

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

9. The Administration'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 entering the country is lower than 50% of the total maximum passenger capacity, 5% 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 Administration shall evaluate the situation of its expenditure, with a view to raising business efficiency.

Application Form for MOTC Tourism Administration Subsidy to Promote Overseas Tourist Charter Flights to Taiwan

Date of application : ____ (year) ____ (month) ____ (day) Contact person : _____ Tel : _____

Applicant			
Responsible person		Phone	
Job title		Fax	
Address			
Type of aircraft and number of passenger seats			
Route			
Time			
Summarized facts of application (including expected number of passengers, passenger load factor, etc.)			
Projected benefits			
Items and amount of subsidy applied for			
Explanation: - Content of attached plan for charter flight to Taiwan should include: Charter flight size, projected number of passengers, itinerary, charter contract, proof of other travel agency relinquishing subsidy application (where two or more travel agencies jointly enlist passengers for a charter flight), etc. - If an application under this subsidy program is approved, the applicant may not further apply to the Administration for a subsidy under another promotional program.			

Reviewing unit :

Office

(signed/stamped)