

THE AGREEMENT BETWEEN SINGAPORE AND THE SEPARATE CUSTOMS TERRITORY OF TAIWAN, PENGHU, KINMEN AND MATSU ON ECONOMIC PARTNERSHIP (ASTEP)

A business guide
for companies



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This publication by International Enterprise Singapore ("IE Singapore") provides an overview and a practical business guide to the Agreement between Singapore and the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu on Economic Partnership. A full copy of the Agreement and associated documents can be obtained at www.iesingapore.com/astep.

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OPPORTUNITIES IN THE CHINESE TAIPEI MARKET

Singapore and Chinese Taipei enjoy strong relations in many areas, especially business and trade. In 2013, Chinese Taipei was Singapore's 6th largest trading partner and 9th largest export destination. Chinese Taipei is also an important source of imports, a considerable tourism market and one of our top investment destinations.

Chinese Taipei has been an important market for Singapore goods and services exporters. An outward-oriented economy with strong manufacturing industries, particularly in information technology (IT) products, Chinese Taipei's exports were the equivalent of about 60% of its GDP in 2012.

Major liberalisation occurred in 2002 when Chinese Taipei joined the WTO as the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei). Chinese Taipei also became party to the plurilateral Government Procurement Agreement in July 2009. In its latest Trade Policy Review at the WTO in 2010, Chinese Taipei was highlighted for having made good progress in its regulatory reform programme, which saw deregulation in numerous areas including services, investment and customs.

Chinese Taipei's services sector remains the largest contributor to its GDP, and significant opportunities are present in its vibrant and competitive services sectors. The WTO Trade Policy Review report in 2010 noted that some informal barriers remain in certain subsectors of the services sectors, even as commercial presence has been liberalised in a number of services sectors and regulatory improvements have been made in professional services and telecommunications.

To enhance economic relations between Singapore and Chinese Taipei, negotiations on the Agreement between Singapore and the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu on Economic Partnership (ASTEP) commenced in May 2011. Both sides substantively concluded negotiations in May 2013, and ASTEP was signed in Singapore on 7 November 2013.

ASTEP is Chinese Taipei's first economic partnership agreement with an ASEAN economy, and also its first agreement with one of its top 10 trading partners. This Agreement opens up a world of opportunities for Singapore companies doing business in Chinese Taipei and doing business with Chinese Taipei companies.



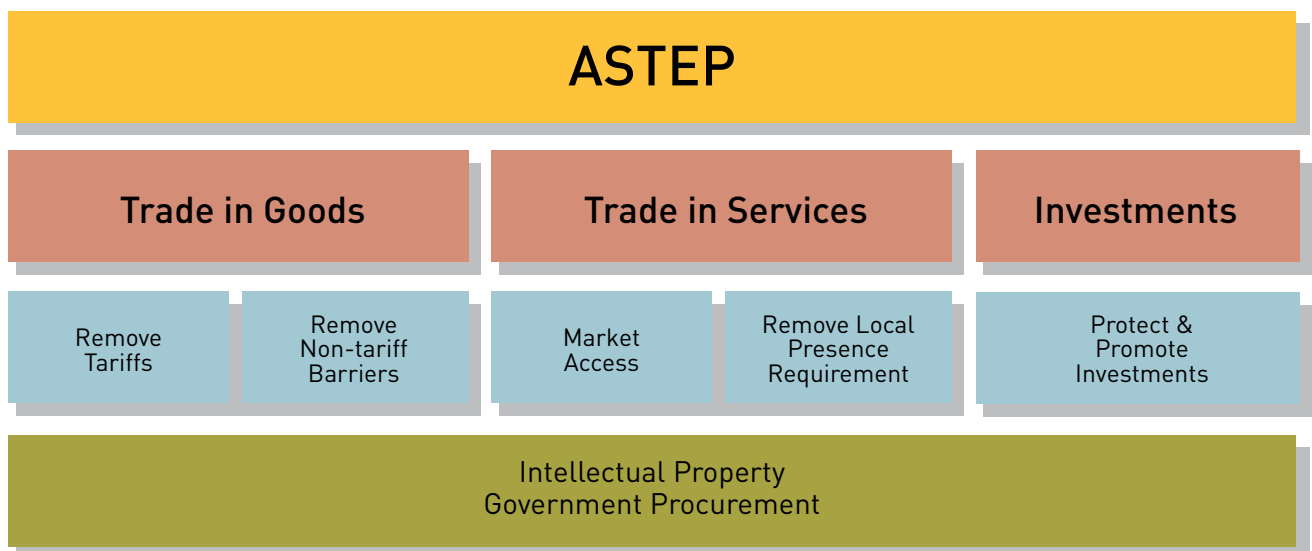
Photo courtesy of Singapore Tourism Board



OVERVIEW OF ASTEP

The Agreement between Singapore and the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu on Economic Partnership (ASTEP) is a high quality comprehensive agreement that will liberalise and facilitate trade in goods, trade in services and investments between both markets. ASTEP is an important agreement for Singapore. It provides preferential tariff access that offers Singapore exporters competitive advantage in an important market of 23 million. It also includes provisions on intellectual property, government procurement, e-commerce, competition and dispute settlement.

A simple framework of ASTEP is shown below:



Key elements of ASTEP include:

LIBERALISED TRADE IN GOODS

The removal of tariffs over time on 100% of Singapore's current exports to Chinese Taipei, including the immediate removal of tariffs imposed on electronics, chemicals, mineral fuels, pharmaceuticals and machinery parts.

LIBERALISED TRADE IN SERVICES

Singapore service providers will benefit from improved commitments from Chinese Taipei in services, such as telecommunications and energy production; maritime and road transport; and entertainment, sporting and recreational services.

FACILITATION AND PROTECTION FOR INVESTMENT

ASTEP provides a transparent set of rules based on international best practice that are intended to facilitate investment flows and protect investments. In addition, it establishes a framework to ensure that investors of both economies benefit from future liberalisation.

MEASURES TO IMPROVE BUSINESS FLOWS

There are measures in place that relate to customs procedures and cooperation, sanitary and phytosanitary measures, standards, technical regulations and conformity assessment procedures, electronic commerce, intellectual property and competition policy. These are designed to reduce barriers to doing business in Chinese Taipei, and to further economic cooperation between Singapore and Chinese Taipei.

GOVERNMENT PROCUREMENT

Singapore suppliers are guaranteed improved access to the government procurement market of Chinese Taipei, and treated on an equal footing with local suppliers. This includes access to local procurement contracts of all the five Special Municipalities, as well as government projects in areas like waste water management, urban solutions, infrastructure development and computing services.



ELECTRONIC COMMERCE

Inclusion of the chapter on Electronic Commerce in ASTEP reaffirms the importance of e-commerce and its contribution to economic growth. This reflects the need to avoid barriers to facilitate its use and development.

INTELLECTUAL PROPERTY COOPERATION

ASTEP recognises the importance of intellectual property rights in fostering trade between Singapore and Chinese Taipei. It seeks to create a framework through which both sides can cooperate in ways to mutually improve our respective intellectual property ecosystems.

DISPUTE SETTLEMENT

ASTEP seeks to provide a robust dispute resolution mechanism for the resolution of disputes between Singapore and Chinese Taipei relating to the application or interpretation of ASTEP.

TRADE IN GOODS

This section outlines tariff concessions under ASTEP for goods exported from Singapore to Chinese Taipei. This should be used as a general guide as it does not set out all tariff concessions under ASTEP. It is recommended that this section be read with Chapter 3 (Trade in Goods), Annex 3A (Tariff Elimination Schedule of Singapore) and Annex 3B (Tariff Schedule of Chinese Taipei) of the legal text of ASTEP.

WHAT ARE TARIFF CONCESSIONS?

It refers to the reduction or elimination of tariffs (i.e. customs duties). The scope of coverage depends on the goods committed under the respective tariff schedules of Chinese Taipei and Singapore. (Note: Excise duties and corporate taxes are not covered in tariff concessions.)

WHAT DOES THIS MEAN FOR BUSINESSES?

Tariff concessions mean:

- ⦿ Lower cost burden.
- ⦿ Singapore goods can be priced more competitively in Chinese Taipei.
- ⦿ Singapore's share in the Chinese Taipei market can potentially increase.

FOR SINGAPORE EXPORTS TO CHINESE TAIPEI: OPENING UP CHINESE TAIPEI'S MARKET

All of Singapore's current exports to Chinese Taipei will benefit from tariff concessions once ASTEP is fully implemented. Approximately 97% of Singapore's current exports will qualify for immediate tariff free treatment, while the remaining 3% will be eliminated in five, ten or fifteen annual stages beginning when ASTEP enters into force¹.

Singapore-based companies exporting originating goods to Chinese Taipei, particularly electronics, chemicals, pharmaceuticals, machinery and processed food products, will stand to benefit from the removal of tariffs.



¹ 0.002% of our current exports of agricultural products would not be subjected to tariff elimination under ASTEP.

The table below illustrates how tariffs will be eliminated/reduced for Singapore-originating goods:

CATEGORY	TARIFF STAGING (UPON IMPLEMENTATION)	DATE OF ENTRY INTO CHINESE TAIPEI DUTY-FREE
EIF	Immediate Elimination	19 April 2014
5	Elimination in 5 equal annual stages	1 January 2018
10	Elimination in 10 equal annual stages	1 January 2023
15	Elimination in 15 equal annual stages	1 January 2028
P	Reduction by one-fifth of base rates in 5 equal annual stages	Tariffs reduced by one-fifth on 1 January 2018

Chinese Taipei's tariff schedule is set out in Annex 3B of ASTEP, and can be accessed on IE Singapore's website – www.iesingapore.com/astep. Products that meet the Rules of Origin in ASTEP will qualify for preferential tariffs.

The table below provides a summary of Chinese Taipei's tariff commitments under ASTEP:

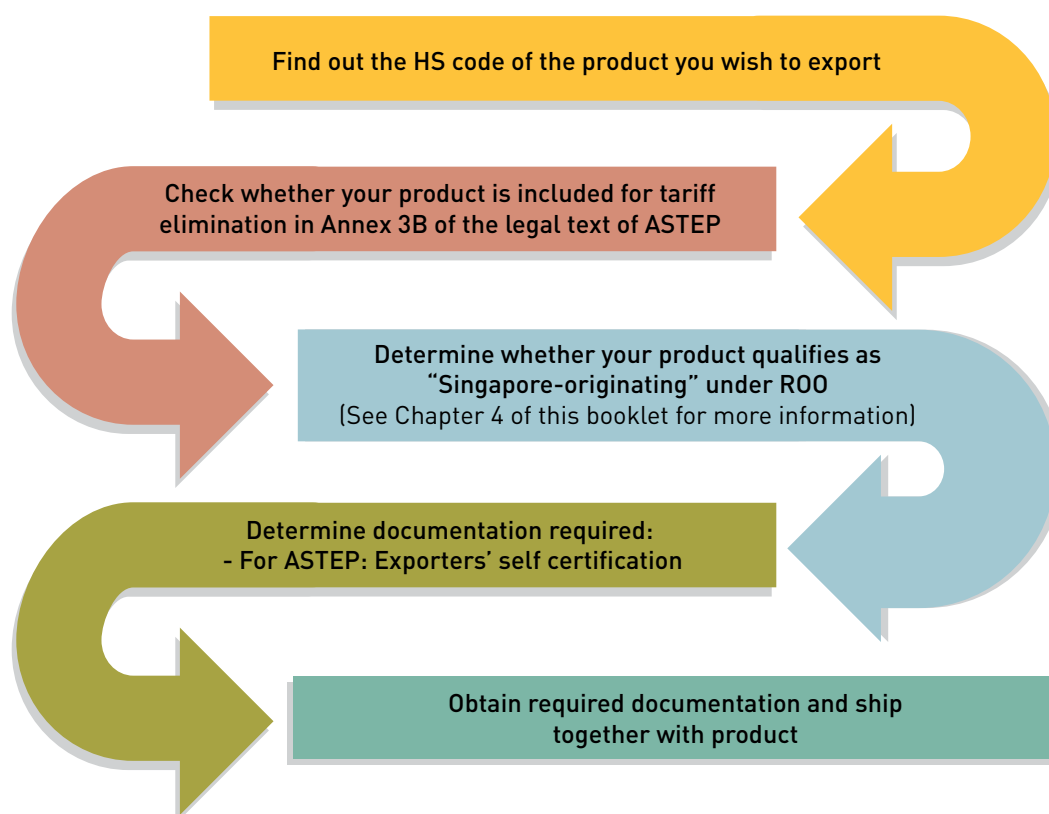
	% OF TRADE THAT IS TARIFF FREE	EXAMPLES OF KEY PRODUCTS THAT ARE TARIFF FREE
Already tariff free	82.5%	Some cereals, starches, mineral fuels, electronics, machinery
Upon EIF (19 April 2014)	96.7%	Processed food products, chemicals, pharmaceuticals, electronics, machinery, transport equipment
1 January 2018	98.2%	Some dairy, textile products
1 January 2023	99.9%	Processed food products
1 January 2028	100% ²	Some dairy products, processed food products

² Only 0.002% of current trade is excluded from Chinese Taipei's tariff elimination schedule. These excluded products are very specific dairy and agriculture goods such as fresh milk, mixtures of nuts and seeds, and red beans.

The table below ranks the top 10 Singapore exports to Chinese Taipei in 2013:

RANK	PRODUCT	CURRENT TARIFF RANGE	ZERO TARIFF DATE
1	Electronics	0 – 14%	Majority EIF
2	Miscellaneous chemicals	0 – 10%	Majority EIF
3	Mineral fuels	0 – 7.5%	Majority EIF
4	Plastics	1 – 6.5%	Majority EIF
5	Optical and measuring instruments	0 – 10%	Majority EIF
6	Organic chemicals	0 – 5.5%	Majority EIF
7	Semi-precious stones and metals	0 – 6.5%	EIF
8	Vehicles and parts	0 – 30%	EIF, Year 5, Year 10
9	Glass and glassware	0 – 12.5%	Majority EIF
10	Pharmaceuticals	0 – 20%	EIF

How will you know if your products qualify for preferential treatment?



FOR CHINESE TAIPEI EXPORTS TO SINGAPORE

ASTEP provides for immediate elimination of tariffs on all goods originating from Chinese Taipei.

RULES OF ORIGIN

In order to qualify for the preferential tariffs under ASTEP, rules applying to the origin of the goods must be met and certain steps must be followed.

This section outlines the rules of origin (ROO) for goods exported from Singapore to Chinese Taipei and seeking to claim preferential tariffs under ASTEP. This should be used as a general guide as it does not set out all ROO requirements. It is recommended that this section be read with Chapter 4 (Rules of Origin) and Annex 4B (Product Specific Rules) of the legal text of ASTEP.

ASTEP provides liberal and flexible ROO for Singapore's exports to Chinese Taipei. This includes, but is not limited to, processed agriculture products, electronics, machinery, pharmaceuticals, and petrochemicals.

ORIGINATING GOODS

Determination of an "originating good" depends on the tariff classification of the product ("Harmonised Commodity Description and Coding System (HS) code") and the qualifying criteria ("ROO").

Goods exported to Chinese Taipei from Singapore are treated as originating if:

1. Goods are wholly obtained or produced in Singapore;
2. Goods meet the applicable product specific rules set out in Annex 4B (Product Specific Rules) of ASTEP; or
3. Goods are produced in Singapore exclusively from originating materials from Chinese Taipei.

Goods that are wholly obtained or produced in either Singapore or Chinese Taipei. These are goods that will be automatically accepted as originating under ASTEP. To qualify as such, the good must not contain non-originating materials. Such goods are normally natural resource-based goods obtained in Singapore and the final products made from them do not include any non-originating materials. This rule applies largely to agricultural goods such as live animals, plants and plant goods.



Goods that meet applicable ASTEP product specific rules. These are goods manufactured in Singapore or Chinese Taipei, which may contain non-originating materials.

Companies should refer to Annex 4B (Product Specific Rules) of ASTEP for the relevant product specific rules of your good, based on its HS code. Depending on the required product specific rules of the good, there are three ways below in determining if a good is originating. In addition, exporters and manufacturers have the option to apply either one of these criteria for a good for a large majority of products – such as processed food, electronics and chemicals.

- a) **Change in tariff classification (CTC).** Goods will be considered originating if they can satisfy a change in tariff classification rule as specified in Annex 4B of ASTEP.

The difference between the classification of the final good and the classification of the non-originating materials that went into the production of the good will determine whether the conditions of the specific change in tariff classification rule have been met.



Photo courtesy of Taiwan Tourism Bureau



Photo courtesy of Taiwan Tourism Bureau

A good can be considered originating at three different levels:

Change in chapter (CC)	All non-originating materials underwent a change at the two-digit level in Singapore.
Change in tariff heading (CTH)	All non-originating materials underwent a change at the four-digit level in Singapore.
Change in tariff sub-heading (CTSH)	All non-originating materials underwent a change at the six-digit level in Singapore.

Where goods do not satisfy the CTC requirement, it can still be treated as originating if the value of all non-originating materials used in their production that did not undergo the required CTC does not exceed 10% of the Free-on-Board (FOB) value of the good.

Free-on-Board means the free-on-board value of the good, inclusive of the cost of transport to the port or site of final shipment abroad.

- b) **Regional Value Content (RVC).** A good is considered originating if it meets the minimum percentage of value originating from Singapore. The value can be calculated using the formula below:

$$RVC = \frac{TV - VNM}{TV} \times 100$$

Where:

- ⦿ **RVC** is the regional value content expressed as a percentage;
- ⦿ **TV** is the transaction value of the good, adjusted on an FOB basis; and
- ⦿ **VNM** is the transaction value of the non-originating materials, when they were first acquired or supplied to the producer of the goods, adjusted on a Cost, Insurance and Freight (CIF) basis.

The minimum percentage of value in ASTEP is between 35 – 45%.

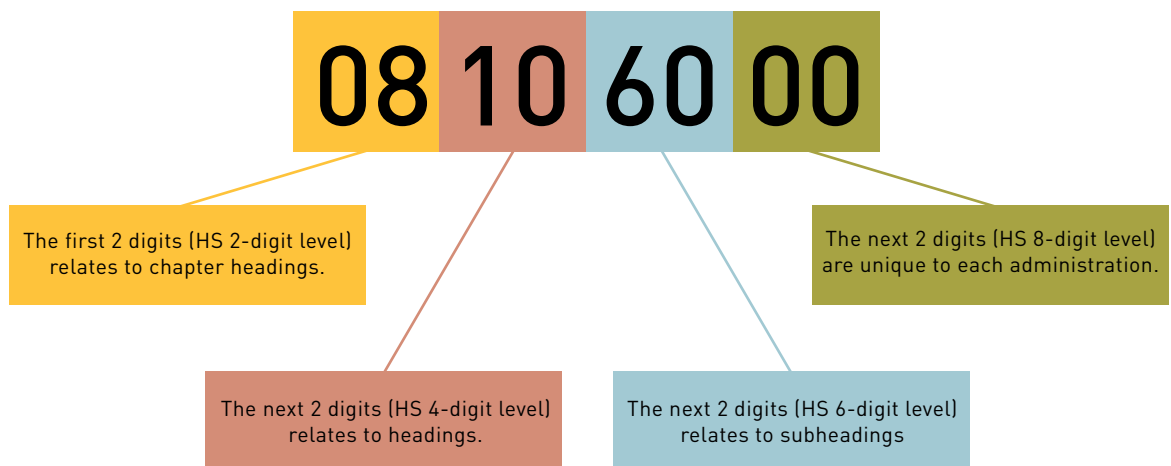
Cost, Insurance and Freight means the value of the good imported and includes the cost of freight and insurance up to the port or place of entry into the market of importation.

- c) **Process rules.** Goods are considered originating if it undergoes certain specified manufacturing processes or operations (e.g. chemical reaction rule) in Singapore. Examples of such rules can be found in chemical chapters (HS 28 – 40).

HS CODES

Both the tariff and CTC-based ROO approach for each product is dependent on the tariff classification of the product. The international tariff classification system is called the Harmonised Commodity Description and Coding System (HS). It is administered by customs services worldwide. It uses a common customs classification made up of six digits. Most customs services would then add a further two digits, which are unique to that administration. The result is an eight-digit number that is referred to as the tariff code.

For example:



The HS code for durian is 08106000 which can be broken down into:

- 08: Chapter – Edible Fruit, Nuts & Peels
- 0810: Heading – Other Fresh Fruits
- 081060: Subheading: Durians Fresh
- 08106000: Further identifier

PREFERENTIAL TARIFF TREATMENT

ASTEP preferential treatment claims are based on **exporters' self-certification**. This means that an importer in Chinese Taipei may claim tariff preference on the basis of a declaration provided by a Singaporean exporter. A template of the Declaration of Origin is set out in Appendix I of this booklet.

A Declaration of Origin is not required for goods where the customs value does not exceed US\$1,000.



CROSS-BORDER TRADE IN SERVICES

ASTEP seeks to eliminate barriers to trade in services by ensuring that measures affecting service providers apply similarly to Singapore companies as to Chinese Taipei companies.

SCOPE OF SERVICES COVERED

The Cross-border Trade in Services Chapter in ASTEP covers all types of services, except services supplied in the exercise of governmental authority³ and air services (other than aircraft repair and maintenance services selling, marketing of air transport services and computer reservation system services).

The Cross-border Trade in Services Chapter in ASTEP also does not apply to the following:

- ⦿ Government procurement
- ⦿ Subsidies and grants provided by the respective authorities from both territories
- ⦿ Measures affecting individuals seeking access to employment in Singapore or Chinese Taipei

ASTEP addresses a spectrum of services sectors, notably maritime, transportation, professional and business services.

A service is “traded” where the service supplier and customer are from different markets, even though the actual supply of the service will usually take place in just one of the markets.



³ “Services supplied in the exercise of governmental authority” means any service which is supplied neither on a commercial basis, nor in competition with one or more service suppliers.

THE FOUR MODES OF SUPPLY FOR TRADE IN SERVICES

Trade in services includes services supplied using any of the following modes:

MODE	DESCRIPTION	EXAMPLES
Mode 1: Cross-Border	Only the service crosses the border.	Telecommunications, postal, telemedicine, distant-learning, e-banking
Mode 2: Consumption Abroad	Consumer crosses the border and consumes the service in the service supplier's market.	Tourism, hotel & restaurant services, training programmes for foreign students; also covered is the movement of consumer's property (e.g. sending a ship or other equipment abroad for repair)
Mode 3: Commercial Presence	Service supplier is a locally established affiliate, subsidiary, representative office, or branch of a foreign service supplier.	Local branch or subsidiary of multinational companies, tourism, hotel and restaurant branches
Mode 4: Movement of Natural Persons	Supplier is in the market on a temporary basis and is a non-resident.	Independent service suppliers e.g. consultants, professionals, foreign construction workers

Source: Adapted from the World Trade Organisation, 2002

EXAMPLES OF THE DIFFERENT MODES OF SERVICES IN A PARTICULAR COMPANY:

XYZ Healthcare Company is a local private medical centre, providing healthcare and medical services. It has several possible options when considering providing its healthcare and medical services overseas.

MODE	EXAMPLES
Mode 1: Cross-Border	Results of X-rays are sent electronically from Singapore to Chinese Taipei.
Mode 2: Consumption Abroad	Patient travels to Singapore for a surgery.
Mode 3: Commercial Presence	The company establishes a hospital in Chinese Taipei.
Mode 4: Movement of Natural Persons	The company sends a surgeon to join a surgery in Chinese Taipei.

MARKET ACCESS COMMITMENTS AND OTHER CORE OBLIGATIONS

The Cross-border Trade in Services Chapter of ASTEP establishes the following key obligations for services trade:

- **Market Access** – both Singapore and Chinese Taipei are prohibited from limiting access to their market through the use of quantitative restrictions such as limits on the number of service suppliers or the value of services supplied.
- **National Treatment** – equal treatment to a local service supplier.
- **Local Presence** – both Singapore and Chinese Taipei cannot require a foreign service supplier to have a commercial presence, or a legal presence in the other market, as a precondition to operating in the market when the services can be delivered in other ways.

Each Party is required to observe these three obligations unless a specific exception is included in a Party's services schedule (or by a general exception in the text of ASTEP). This is called a negative list approach to scheduling services commitments. The advantage of a negative list approach is that all services are included under the agreement and subject to the above obligations, unless specifically excluded. Appendix 2 of this booklet provides an explanation of how to read a negative list schedule.

ASTEP also contains a mechanism that ensures that if and when further domestic liberalisation is undertaken or improvements are made in relation to certain laws or regulations etc. in Chinese Taipei, those liberalisation and improvements are captured by ASTEP and automatically passed on to Singapore services suppliers. This obligation applies equally to Singapore as well and this helps to ensure that the benefits of ASTEP endure well into the future.

CHINESE TAIPEI'S MARKET ACCESS COMMITMENTS

Chinese Taipei has existing commitments for services market access (including Mode 3 investment) under the WTO General Agreement on Trade in Services (GATS).

Under ASTEP, Chinese Taipei has agreed to make additional commitments and expand the coverage of committed sectors, including telecommunications, services incidental to fishing and energy production, distribution, maritime and road transport, and entertainment, sporting and recreational services. Notably for maritime transportation services, there are fewer requirements necessary for Singapore suppliers seeking to engage in maritime transportation services as a vessel carrier in Chinese Taipei. These outcomes provide Singapore service suppliers with the certainty of continued openness for operation of such services in these sectors in Chinese Taipei.

SINGAPORE'S COMMITMENTS

The market access commitments in ASTEP go beyond Singapore's existing WTO GATS commitments but are generally consistent with Singapore's current legislation and policy settings.

For details on the services sectors excluded from Singapore's market access commitments, please see the list of Singapore's Non-Conforming Measures in Annex 8B of ASTEP.



INVESTMENT

ASTEP includes a high-quality Investment Chapter which sets out clear rules based on international best practices. This will facilitate the increase in investment flows between Singapore and Chinese Taipei by seeking to remove barriers to market access. At the same time, investors and investments from Singapore and Chinese Taipei are ensured protection with a framework of disciplines which also recognises and respects the right of both Parties to regulate.

Subject to exceptions listed in the Services-Investment schedules of the ASTEP, the ASTEP Investment Chapter provides for:

- **National Treatment:** Singapore investors and investments in Chinese Taipei will be provided similar treatment to that of locals, and will not be discriminated in favour of local investors and investments “in like circumstances”.
- **Performance Requirements:** Foreign investors and investments within Chinese Taipei shall not be subject to a range of performance requirements that might distort trade and investment. This includes requirements to purchase goods produced in Chinese Taipei or to export a certain level of goods, prior to making an investment in Chinese Taipei.
- **Senior Management and Boards of Directors:** Singapore investments in Chinese Taipei may not be required to appoint persons of a particular nationality/citizenship to senior management positions, or to appoint to the board of directors majority persons of a particular nationality/citizenship such that Singapore investors are unable to control the investment.

In addition, the chapter contains safeguards to ensure that Singapore investors and investments are protected by balanced rules such as:

- **Expropriation:** Chinese Taipei can only expropriate or nationalise a Singapore investor’s property in Chinese Taipei for a public purpose, in a non-discriminatory manner, in accordance with due process and upon payment of compensation.
- **Compensation for Losses:** Should Singapore investments suffer losses owing to war, armed conflict or other similar situations in Chinese Taipei, Singapore investors will be provided the same treatment that is given to locals or to other foreigners, whichever may be more favourable.
- **Transfers:** Subject to specific exceptions, Singapore investors will be guaranteed free flow of capital in and out of Chinese Taipei.

SETTLEMENT OF DISPUTES

Should these obligations be breached, Singapore investors can opt to settle the disputes with Chinese Taipei via international arbitration forums provided for under the International Chamber of Commerce (ICC) and United Nations Commission on International Trade Law (UNCITRAL).



GOVERNMENT PROCUREMENT

Singapore and Chinese Taipei are both signatories to the World Trade Organisation (WTO) Government Procurement Agreement (GPA). The Government Procurement Chapter follows largely the rules of the GPA, therefore companies do not need to worry about any new measures or policies that are required to access either market.

OPENING THE CHINESE TAIPEI MARKET

At the moment, Singapore companies can participate in Chinese Taipei's government procurement market according to the commitments spelt out in the GPA. Under ASTEP, the Government Procurement Chapter assures Singapore companies that they will be treated on par with the local suppliers for several new areas of market access compared to the GPA.

SINGAPORE'S COMMITMENTS

Singapore has reciprocally lowered its threshold for procurements by its central government entities from SDR 130,000 to SDR 100,000⁴. It has also offered new services to Chinese Taipei in return for new market access over and above commitments at the WTO-GPA.

CHINESE TAIPEI'S COMMITMENTS

Chinese Taipei has reciprocally lowered its threshold for procurements by its central government entities from SDR 130,000 to SDR 100,000⁵. In addition, Singapore is given access to all five Special Municipalities of Taipei City, Greater Kaohsiung City, New Taipei City, Greater Taichung City and Greater Tainan City. Taoyuan will be included after its formal upgrade into a Special Municipality. In line with the rules of the WTO-GPA, Singapore companies can participate in the government procurements on an equal footing with the local companies. Singapore companies can also look forward to participating in new areas such as government projects in waste water management, computing services and infrastructure.



Photo courtesy of Taiwan Tourism Bureau

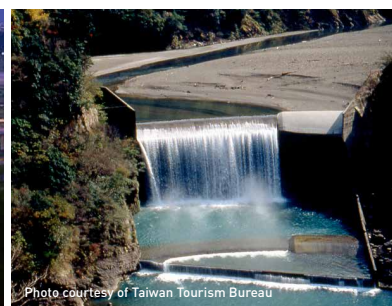


Photo courtesy of Taiwan Tourism Bureau

⁴⁵ Thresholds are expressed in IMF Special Drawing Rights. The conversion from SDR to S\$ is revised every two years. Please refer to WTO website for the conversion rates.

DISPUTE SETTLEMENT

The Dispute Settlement Chapter provides a mechanism for the avoidance and settlement of disputes between Singapore and Chinese Taipei relating to the implementation, interpretation and application of ASTEP.

Chinese Taipei and Singapore are committed to the implementation and application of ASTEP and have undertaken to arrive at a mutually satisfactory resolution of any matter that might affect the operation of ASTEP.

Both Chinese Taipei and Singapore have undertaken various obligations under ASTEP to liberalise trade and investment. In furtherance of this commitment, ASTEP provides for a robust, efficient and predictable mechanism to settle any disputes that fall within the scope of the Dispute Settlement Chapter. This would allow either Party to request such disputes to be resolved through arbitration. However, each Party also has the opportunity to consult the other Party and may also agree to alternative dispute resolution through good offices, conciliation or mediation.

Where a fact situation gives rise to a dispute which can fall under ASTEP and the WTO Agreement and any agreements negotiated under the WTO Agreement, the complaining Party has the option to select the forum in which to settle the dispute. Once selected, the Parties will in general have to abide by that choice of forum.

The Dispute Settlement Chapter sets out the process for the ASTEP dispute settlement mechanism. In particular, the ASTEP dispute settlement mechanism ensures that the arbitral panel is competent and impartial by requiring members and the chair to have expertise or experience in law, international trade or the resolution of disputes arising from international trade agreements, and that they be chosen strictly on the basis of objectivity, integrity, reliability, sound judgment and independence.

Further details on the constitution of the arbitral panel, conduct of proceedings, seeking of information and technical advice, termination of proceedings and reports of the arbitral panel are also provided in the ASTEP dispute settlement mechanism.

Commitments under the Competition and Intellectual Property Cooperation Chapters are excluded from the scope of the ASTEP dispute settlement mechanism.



OTHER MEASURES

For many years, Singapore has benefitted from strong trading relations with Chinese Taipei. ASTEP builds on this firm foundation and provides a framework for facilitating trade at least-cost to industry. ASTEP also sets out specific ways in which the two Parties will cooperate and resolve differences.

CUSTOMS PROCEDURES AND COOPERATION

ASTEP will lead to the removal of tariffs. As a complement, the Customs Procedures Chapter aims to facilitate the flow of goods between the two Parties through the simplification of customs procedures. This ensures that traders will enjoy the full benefits that are accrued to tariff removal.

Under the Agreement, both customs administrations would promote paperless trading including the establishment of a single window, adopting risk management, issuing advance rulings, and sharing best practices. Traders will benefit from faster turnaround time which would lower compliance costs for Customs regulatory requirements.

Single window is defined as an electronic online facility that allows parties involved in trade and transport to lodge standardised documentation and/or data with a single entry point to fulfil all import, export, and transit-related regulatory requirements.

Both Parties have committed to establish mutual recognition of their Authorised Economic Operator programmes based on the World Customs Organisation **SAFE** Framework of Standards to **Secure and Facilitate Global Trade**.



SANITARY AND PHYTOSANITARY MEASURES

Sanitary and phytosanitary (SPS) measures are used to protect human, animal or plant life or health by preventing the introduction of pests and diseases, and to help ensure that food is safe for consumption. It applies to all industrial and agricultural products.

ASTEP establishes a framework that seeks to help prevent SPS issues from arising. It does this by applying the trade rules in the SPS area set by the WTO on bilateral trade. The provisions serve to facilitate consultation and cooperation between Singapore and Chinese Taipei, and provide opportunities for further cooperation and collaboration on SPS matters of mutual interest.

TECHNICAL BARRIERS TO TRADE

Standards, technical regulations and conformity assessment procedures can become technical barriers to trade (TBT). ASTEP aims to reduce TBT between Singapore and Chinese Taipei through the establishment of a framework of provisions:

- A commitment that each Party should accord to conformity assessment bodies located in the other Party treatment no less favourable than what it accords to conformity assessment bodies in its own jurisdiction;
- Both Parties are encouraged to use a broad range of mechanisms to facilitate the acceptance of conformity assessment procedures conducted in the other Party;
- Regulatory dialogue and cooperation is encouraged to facilitate the acceptance of conformity assessment results, to support greater regulatory alignment and to remove unnecessary technical trade barriers;
- International standards, guides and recommendations are to be used as the basis for technical regulations whenever possible;
- A commitment that the Parties will engage in technical discussions with a view to resolve issues as they arise.

COMPETITION

ASTEP includes a Competition Chapter. The aim of this chapter is to promote fair competition and curtail anti-competitive practices. Effective application and enforcement of competition law contributes towards greater productivity, innovation and competitiveness of markets. In the long-term, businesses enjoy lower barriers to entry and a level playing field. On the other hand, consumers will benefit from greater choices of products and lower prices. The Competition Chapter allows for mutual cooperation in the areas of information exchange and notification of anti-competitive practices.

INTELLECTUAL PROPERTY

ASTEP recognises the importance of intellectual property as a factor of each Party's economic competitiveness in the global economy. The Intellectual Property Co-operation Chapter creates a framework through which both Parties can dialogue and cooperate in ways to mutually improve our respective intellectual property ecosystems. Areas of potential collaboration include intellectual property education and professional skills development, collaborations through the WTO and APEC fora, and sharing of experiences on various IP-related issues. Parties also agreed to facilitate dialogue between the IP Academy (Singapore) and the Taiwan Intellectual Property Training Academy with a view to further deepen opportunities for cooperation.

ELECTRONIC COMMERCE (E-COMMERCE)

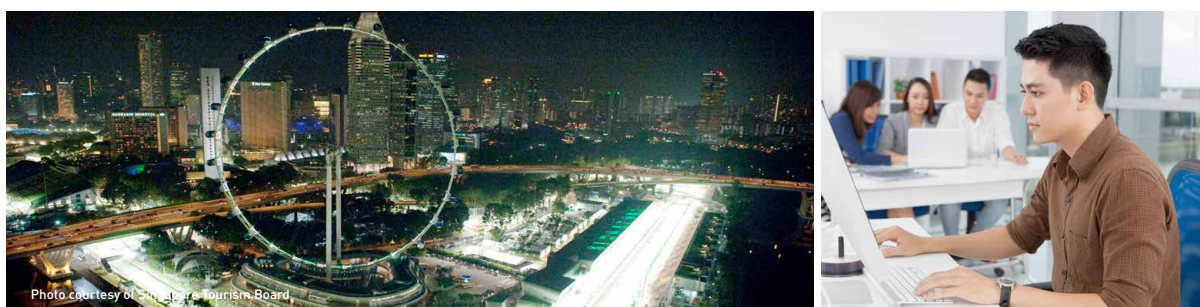
The chapter on Electronic Commerce recognises the value of electronic commerce and its contribution to economic growth and the importance of avoiding barriers to its use and development. In particular, it prescribes commitments such as ensuring non-discriminatory treatment for digital products and making permanent the current moratorium on customs duties on electronic transmission. The Electronic Commerce Chapter is not subject to the dispute settlement mechanism.

TRANSPARENCY

ASTEP seeks to establish a framework of transparent rules to govern trade and investment between the Parties.

Apart from specific obligations to enhance transparency in the individual chapters, ASTEP's Transparency Chapter contains obligations which ensure that each Party promptly publishes or makes available its measures of general application relating to any matter covered by ASTEP. Furthermore, each Party commits to the prompt review of administrative actions concerning matters covered by ASTEP in the relevant tribunals in its territory.

ASTEP provides for the notification and the provision of information of any measure that a Party considers may materially affect the operation of ASTEP or substantially affect the other Party's interests.



APPENDICES

APPENDIX



TEMPLATE OF THE DECLARATION OF ORIGIN

DECLARATION OF ORIGIN

Agreement between Singapore and the Separate Customs Territory
of Taiwan, Penghu, Kinmen and Matsu on Economic Partnership

1. Name of Exporter:

Address:

2. Name of Consignee:

Address:

3. Producer name: (Optional field & to be filled only if known)

4. Description of Goods

5. HS Tariff
Classification

6. Number & Date
of Invoice

7. I hereby declare that the goods enumerated on this invoice are originating from the territory of Singapore / Chinese Taipei and they comply with the origin requirements specified for those goods in the ASTEP.

The information on this document is true and accurate and I assume the responsibility for providing such representations. I understand that I am liable for any false statements or material omissions made on or in connection with this document.

I agree to maintain and present upon request, documentation necessary to support this declaration of origin, and to inform, in writing, all persons to whom the declaration of origin was given of any changes that could affect the accuracy or validity of this certification.

8. Name:

Designation:

Date:

Signature:

INSTRUCTIONS FOR FILLING THE DECLARATION OF ORIGIN

The Declaration of Origin shall be completed by the exporter of the goods legibly in English. Annexes may be attached if the spaces provided are insufficient.

Field 1	Indicate legal name, address of the exporter.
Field 2	Indicate legal name, address of the importer.
Field 3	Indicate legal name, address of the producer, if known.
Field 4	Provide a full description of each good. The description shall be sufficiently detailed to relate it to the description of the good contained in the invoice, as well as with the description that corresponds to it in the Harmonised System (HS).
Field 5	For each good described in Field 4, identify the six digits corresponding to the HS tariff classification of the importing authority.
Field 6	For each good described in Field 4, identify the number and date of invoice. The invoice number should not be post-dated.
Field 7	Declaration of origin as applicable : a. For exports from Singapore, please declare "Singapore"; b. For exports from Chinese Taipei, please declare "Chinese Taipei".
Field 8	This field must be completed, signed and dated by the exporter or producer. The date must be the date the Declaration of Origin was completed and signed.



HOW TO READ NEGATIVE LIST SCHEDULE

For the Negative List, items listed are exceptions to commitments made by both Parties. If the service that you are supplying is **not** found on the list, it means that your service has been fully committed and will benefit from ASTEP. All other services are committed fully unless found in the Negative List Schedule.

The Negative List Schedule contains exceptions to the commitments that are made in the Trade in Services Chapter. There are two Annexes in ASTEP's Negative List Schedule, which can be found in Annex 8B.I and Annex 8B.II in ASTEP's full legal text.

Below are examples found in each Annex:

Annex I refers to **Stand-still** reservations. It covers partially closed sectors where the level of restriction

An example from ASTEP is as follows:

Annex of Reservation (Annex I)	
Sector	Transport Services
Sub-Sector	Internal Waterway Transport, and Cabotage
Industry Classification	--
Obligations Concerned	National Treatment (Article 8.3 and Article 9.5)
Measures	Shipping Law of January 30, 2013 Law of Ships of December 8, 2010
Description of Reservation	<p><u>Cross-Border Trade in Services and Investment</u></p> <p>Foreign vessels may not navigate between ports to transport passengers or cargos unless an approval is granted by the competent authority of Chinese Taipei on annual basis.</p> <p>Docking at ports other than the designated international ports is not permitted for foreign vessels unless seeking shelter or approved by the competent authority of Chinese Taipei.</p>

Annex II refers to **sectors in which the Government retains full regulatory authority**. The level of restriction may increase over time. Sectors covered under this Annex are likely to be highly sensitive.

An example from ASTEP is as follows:

Annex of Reservation (Annex II)	
Sector	Audiovisual Services
Sub-Sector	--
Industry Classification	Television broadcast transmission services (CPC 75241) Radio broadcast transmission services (CPC 75242)
Obligations Concerned	National Treatment (Article 8.3 and Article 9.5) Market Access (Article 8.4) Local Presence (Article 8.5) Performance Requirements (Article 9.9) Senior Management and Boards of Directors (Article 9.10)
Measures	--
Description of Reservation	Cross-Border Trade in Services and Investment Chinese Taipei reserves the right to adopt or maintain any measure relating to broadcasting services in its territory, to international broadcasting services originating from Chinese Taipei, and to the allocation of spectrum in relation to broadcasting services.

ADDITIONAL INFORMATION

Further information about ASTEP is available on
www.iesingapore.com/astep

You may contact International Enterprise Singapore at
enquiry@iesingapore.gov.sg
for feedback and other queries.

For queries relating to Rules of Origin,
you may also contact Singapore Customs at
customs_roo@customs.gov.sg