

OUTLINE

Preface

Customs Clearance for Wind Turbine

Notice Regarding Customs Clearance

FAQs

Goods shipped to Taiwan in the form of either CY or CFS.

CYs will be stored on the yard while CFS will be stored in the warehouse.

Working Vessels and cargo in bulk may be inspected on the dock on application.

After the completion of customs declaration, shipments are permitted to be transported to the wind farm.

Firstly, a declaration must be filed with customs.

Secondly, using the customs procedure, hardcopy documents may need presenting or an inspection may be conducted.

After the completion of reviewing documents or inspection, a tax statement is issued.

After the tax payment has been made by the importers, customs issue notification that the shipment can be released and transported to the wind farm.

Notice regarding Wind Turbine

The wind turbine consists of many different parts and are usually shipped as components parts instead of as an assembled item

A single tariff may apply to all the components and parts, including the main frame, but the application must be submitted prior to importation.

When individual items are too large, inspection on the dock may be applicable.

Customs Duty exemption may be applied under certain conditions.

The Bureau of Energy is the authorised agency who grant and issue the duty exemption approval.

Wind Turbines are subject to import regulation MWO. Approval from the Bureau of Foreign Trade is needed when the imported wind turbines originate from China.

Notice 1 regarding necessary apparatus for assembling

Necessary apparatus may be applicable to customs duty exemption under certain conditions when terms of their import meet the requirements of Customs Act Article 52. For further details please refer to the content of Article 52.

If unable to meet the required terms of Article 52, Article 38 may also be applicable to these items. This is a favourable calculation for duty from the perspective of importers.

Notice 2 regarding Necessary Apparatus for Assembling

Also Applicable to CARNET Procedure

CARNET: A document that allows goods to be imported for one year without paying the usual import fees or taxes.

Limited to 41 countries which have Carnet Agreement with Taiwan, including Denmark, Holland, Belgium, UK, Japan, Germany, Australia...etc

CARNET must be issued by the Authority Agency in the country of its origin.

Taiwan External Trade Development Council (TETDC) is the Authority Agency to issue CARNETS in Taiwan.

Notice regarding Working Vessels

- 1. Duty may be levied on rental basis**
- 2. Period for staying in Taiwan is one year which may be extendable by a further year**
- 3. Working vessels, depending on types, may be subject to import regulations of MWO and 606.**

“MWO” indicates that importation of said goods from China is strictly prohibited. An approval from the Bureau of Foreign Trade is required when the said item is to be imported.

606: for the importation of vessels or ships, approval from Maritime and Port Bureau is required.

FAQs

Q1: Whether or not items for wind turbines are allowed to ship directly from abroad to the wind farm, which could save time and money?

A: No. Imported goods from abroad are only allowed to be unloaded/discharged to designated places where the law stipulates. Wind farms are not on the list.

Q2: After the completion of import declaration for Monopile, shipped from overseas, is an export declaration needed upon shipping it to the wind farms?

A: As the wind farms are within Taiwan's territory, no need to declare exportation.

Q3: Are Towers of Wind Turbine and Submarine Cables applicable for Customs Duty Exemption?

A: Customs do not grant/issue the approval. Please refer to the Bureau of Energy, Ministry of Economic Affairs.

Q4 :The Cradle used to affix monopiles is expected to be repatriated. How to make a declaration?

A:

- 1. Cradle is subject to Customs Act Article 52**
- 2. It is advised to separate Cradle from Monopile and treat them as two items upon declaration.**
- 3. Deposit is required.**

Q5: Spare parts and components for Wind Turbine happened to malfunction after import. Can the duty exemption be applied to the replacement from abroad?

A: Yes. When spare parts are found to be broken, a replacement arrangement from overseas may be duty-exempt on condition that the application should be submitted within a month ◦

Q6: How to transport Wind Turbines from Free Trade Zone, Kaohsiung to Free Trade Zone, Taichung? Are there any limits on the transportation path and time?

A:

- 1. Goods on Type F4 Declaration are only shipped by designated fleet.**
- 2. There is a timetable stipulating and deploying the transportation time ◦**

Q7: How to make declaration on hired containers used for apparatus storage when they are shipped to the working vessels in wind farm?

A:

- 1. If imported from abroad, declaration must be made on rental basis along with commitment document, and then refer to our Inspection Division for further procedures ◦**
- 2. If procured from domestic market please refer to our Inspection Division.
Transaction documents shall be presented.
Further procedures may also be necessary.**
- 3. Type G5 export declaration is a required.**

Q8: Is it imperative to make import declaration for working vessels ?

A: As wind farms are within our territory, any working vessels in wind farms are under the category of imported goods, pursuant to Customs Act Article 38. Thus, customs duty must be levied.

Q9: Are Working Vessels subject to Article 52 of Customs duty exemption?

A: No. Not applicable.

Q10: What if working vessels are expected to serve over 2 years in Taiwan, how to deal with this situation ?

A: Regarding the above mentioned situation, working vessels must depart Taiwan and then re-enter with the appropriate formalities.

Q11: Working vessels are declared on rental basis, applied to customs tariff 0% and a Business Tax of 5% is to be levied. Will the paid Business Tax of 5 % be refundable?

A: Upon the declaration, if Business Tax was levied, this amount is regarded as input tax. It is refundable when the condition meets requirements prescribed on Article 39, Business Act.

Q₁₂: What is the calculation basis for duty on working vessels, pursuant to Article 38?

A: The basis is on the daily rental multiplied by the number of days in use. The rental rate is according to the original contract ◦

Two more fees should also be taken into consideration

1. Trade Promotion Service fee = $DPV \times 0.04\%$

2. Business Tax = $DPV \times 5\%$

Q13: Floating cranes are subject to import regulation 606, How to make a declaration?

A: Floating Cranes are under the Tariff classification 8905.90.20 with import regulation 606. An approval from Maritime Port Bureau must be also presented upon import declaration. Please refer to Maritime Port Bureau, Taichung Office.

Q14: Regarding cable ships loading and unloading cables, Can the inspection of this operation be conducted on the dock?

A: If unloading cables into warehouse is not feasible, an application for inspection on dock shall be approved.

**Any further questions not covered
in this briefing can be accessed on
our website.**

**Please visit to our website at
www.taichung.customs.gov.tw**

Thank you for your attention and attendance.