

Annex V

Definitions of Service Suppliers Applicable to Sectors and Liberalization Measures under the Early Harvest for Trade in Services

The two Parties agree to define Service Supplier¹ in the service sectors and liberalization measures listed in Annex IV of the Cross-Straits Economic Cooperation Framework Agreement (hereinafter referred to as Annex IV) that are beyond their respective World Trade Organization commitments as follows:

1. The service supplier applicable to the sectors and liberalization measures under the Early Harvest for trade in services refers to a natural person or juridical person of one Party that provides services to the other Party.²
 - (1) “Natural person of one Party” refers to the natural person that holds the identity certificate of either Party;
 - (2) “Juridical person of one Party” refers to the entity that is constituted in either Party according to its regulations, which includes any company, trust, partnership, joint venture, sole proprietorship or association (chamber of commerce).
2. A service supplier of one Party that is a juridical person shall simultaneously meet the following conditions:
 - (1) the nature and scope of the services supplied in this Party shall include the nature and scope of the services intended to be supplied in the other Party;³
 - (2) the following requirements shall be met when engaging in substantive business operation in this Party:
 - a. such a service supplier shall have engaged in business operations with the same nature and scope of services for three consecutive⁴ years or more as such a supplier intends to provide in the other Party. Among which:

A banking institution of one Party that engages in banking and other financial services (excluding securities, futures and insurance) shall have obtained business license(s) from and registered with the banking supervisory and regulatory authority in this Party, and have been engaging in business operations for five consecutive years or more;

A securities and futures company of one Party that engages in securities, futures and related services shall have obtained business license(s) from and registered with the securities and futures supervisory and regulatory

¹ Only applicable to service suppliers that will provide services in the mode of commercial presence.

² Excluding branches, representative offices, liaison offices, or other non-juridical institutions.

³ As to medical service suppliers in Taiwan’s side, such suppliers include: (1) juridical-person medical institutions; (2) the founders of medical institutions; (3) the special-purpose companies established by the medical institutions.

⁴ As to the medical service suppliers in Taiwan’s side, the medical institutions provided for in footnote 3 shall comply with this requirement.

authority in this Party, and have been engaging in business operations for five consecutive years or more;

An insurance company of one Party that engages in insurance and related services, shall have obtained business license(s) from and registered with the insurance supervisory and regulatory authority in this Party, and have been engaging in business operations for five consecutive years or more;

- b. such a service supplier shall have been paying income tax in this Party;
 - c. such a service supplier shall own or lease business premises in this Party.
3. In order to be qualified to the preferential treatments that are listed in Annex IV and beyond the commitments in the World Trade Organization, the service supplier of one Party shall file an application, accompanied by appropriate documentation and information, with the competent authority or its consigned institutions of such Party, for a Service Supplier Certificate in accordance with the following requirements:
- (1) A natural person service supplier of one Party shall provide identity certificate and other documentation and information deemed necessary by the competent authority or its consigned institutions;
 - (2) A juridical person service supplier of one Party shall provide:
 - a. Copy of the registration certificate;
 - b. Copy of the tax payment certificate of the latest three or five years;
 - c. Audited financial statements of the latest three or five years;
 - d. Certificate documents or their copies of business premises ownership or lease;
 - e. Other documentation or their copies that serve to prove the nature and scope of services provided;
 - f. Other documentation or information deemed necessary by the competent authority or its consigned institutions.
4. The competent authority or its consigned institutions of one Party shall issue a Service Supplier Certificate to a service supplier of such Party upon finding that the relevant documents and information submitted by such service supplier pursuant to Item 3 of this Annex conform to the provisions of this Annex.
5. When a service supplier of one Party applies to provide in the other Party the services that are listed in Annex IV and beyond the commitments in the World Trade Organization, such a service supplier shall provide related competent authorities with a valid Service Supplier Certificate as well as documents and information required for the related service sectors involved in the application.
6. The service supplier of one Party that has been providing services in the other Party may apply for a Service Supplier Certificate according to related provisions in this Annex to enjoy the preferential treatments that are listed in Annex IV and beyond the commitments in the World Trade Organization.