

The Tobacco and Alcohol Administration Act

Amended on: December 27, 2017 (Articles 57 and 59 amended)

CHAPTER I: General Provisions

Article 1

This Act is enacted to promote the sound administration of tobacco and alcohol business and products.

Article 2

The competent authority under this Act shall be the Ministry of Finance at the level of the central government, the municipal government at the level of the special municipality, and the county (or county-level city) government at the level of the county (or county-level city).

Article 3

"Tobacco," as used in this Act, means products entirely or partially made of tobacco plants or other substitutes as ingredients, in a form suitable for smoking, chewing, sucking, snuffing, or other method of consumption.

"Tobacco plants," as referred to in the preceding paragraph, means plants of the *Nicotiana* of the Solanaceae, and including their leaves, stubs, seedlings, seeds, stems, scraps, etc. or their products, which are not ready for smoking, chewing, sucking, snuffing, or other method of consumption.

Article 4

"Alcohol" as referred to in this Act shall mean beverages having an alcohol content by volume of more than 0.5 percent, and undenatured ethyl alcohol and other ethyl products that can be used for the production or preparation of the above-mentioned beverages. Alcohol which is regarded as medicine in accordance with the laws or regulations of the central health authority shall be exempt from administration as "alcohol" under this Act.

The term "alcohol content," as used in this Act, means the percentage of ethyl alcohol contained in the entire volume (of a specific beverage) at a temperature of 20 degrees as measured with a Celsius thermometer.

The term "undenatured ethyl alcohol," as used in this Act, means ethyl alcohol with an alcohol content by volume in excess of 90%, without adding therein any denaturant.

Undenatured ethyl alcohol may be imported only for industrial, pharmaceutical,

medical, military, testing, experimental research, energy, alcohol production, or other uses which have been publicly announced by the competent authority.

Production or importation of undenatured ethyl alcohol for use in alcohol production is restricted to that which meets national standards for edible ethyl alcohol.

Regulations governing the registration for sale, documents evidencing purpose of purchase, denaturing, denaturing additives, reporting of inventory volumes of alcohol imported for sale, locations of storage sites, and other matters related to the production, import, and sale of undenatured ethyl alcohol will be prescribed by the central competent authority.

Article 5

"Tobacco or alcohol business," as used in this Act, means any of the following three businesses:

1. Tobacco or alcohol producers: business operators engaging in the manufacturing of tobacco and/or alcohol products.
2. Tobacco or alcohol importers: business operators engaging in the importation of tobacco and/or alcohol products.
3. Tobacco or alcohol sellers: business operators engaging in the wholesale or retail of tobacco and/or alcohol products.

"Production," as used in this Act, includes manufacturing, repackaging, and related activities.

Article 6

"Illegal tobacco" and "illegal alcohol" as used in this Act refer to any of the following circumstances:

1. Tobacco or alcohol produced without a license permit obtained pursuant to this Act.
2. Tobacco or alcohol imported without a license permit obtained pursuant to this Act.
3. Tobacco or alcohol produced by an alcohol or tobacco producer at a location other than the location of the factory listed in its license permit.
4. Tobacco or alcohol imported with a license permit obtained pursuant to this Act but not declared to customs, or for which declaration has been evaded, or which has been underreported by more than a specific amount.
5. Tobacco or alcohol transported by an R.O.C. fishing vessel that is not for personal use on that ship or is in excess of a specific amount.

The specific amounts under subparagraphs 4 and 5 above will be publicly announced by the central competent authority.

The tobacco or alcohol of Paragraph 1, Subparagraph 1 above does not include tobacco or alcohol for which there is a record of use in research or trial production, and which has not been commercially packaged for sale as a tobacco or alcohol product.

Article 7

"Disqualified tobacco" and "disqualified alcohol" as used in this Act refer to one of the following circumstances:

1. Tobacco whose nicotine or tar content exceeds the limits of the Tobacco Hazards Prevention Act.
2. Alcohol produced with a type of alcohol other than edible ethyl alcohol that complies with national standards.
3. Alcohol that does not comply with hygiene standards.

Article 8

"Responsible person," as used in this Act, means a person defined by the Company Act, the Business Registration Act, or other laws or relevant organizational charters as the person who is to assume responsibility.

CHAPTER II: Administration of Tobacco and Alcohol Business

Article 9

A tobacco producer may only be organized as a company limited by shares.

An alcohol producer, other than one producing undenatured ethyl alcohol, which may only be organized as a company limited by shares, shall be organized as a company, partnership, sole proprietorship, or otherwise as an agricultural organization established in accordance with relevant laws.

Article 10

A party applying to establish a tobacco or alcohol producer shall fill out an application form and a production and operations plan and submit them to the central competent authority to apply for a permit of establishment, and within two years from the day on which it obtains the aforesaid permit, shall submit its factory registration and related evidentiary documents to the central competent authority to apply for issuance of a license permit. Production and operation may begin only after the license permit is obtained.

Regulations governing the procedures for the application for an establishment permit and a license permit for a tobacco or alcohol producer, the documents to be submitted, the causes for the revocation of the establishment permit, the issuance or reissuance of a license permit, and other matters for compliance, will be prescribed by the central competent authority.

For applicants that obtain an establishment permit for a tobacco or alcohol producer prior to enforcement of the amendment of 30 May 2014 of this Article, the two-year period referred to in Paragraph 1, begins from the date of enforcement.

When an applicant fails to apply for the issuance of a license permit prior to the deadline of Paragraph 1 or the preceding paragraph, the establishment permit originally obtained will cease to be effective. With legitimate reason, however, the

applicant may apply to the central competent authority for an extension prior to the deadline. No extension may exceed one year in length, and only two such extensions may be granted.

Article 11

Any farmer or indigenous person who produces agricultural raw materials suitable for use in brewing or distilling within the agricultural area covered by an urban development plan, or on non-urban farm/pasture land, may apply for incorporation as an alcohol producer on the same piece of land, provided that the alcohol production site meets the applicable environmental protection, sanitation, and land use control requirements, that it is limited to one site only, that its annual output does not exceed the specified amount established by the central competent authority, and that alcohol production on behalf of others and alcohol repackaging for sale may not be conducted at the site.

The application for establishment of an alcohol producer as set forth in the preceding paragraph shall be filed, through the competent authority of the local municipal or county (or county-level city) government, with the central competent authority, and the applicant may commence production and business operations only after having been approved by the central competent authority and obtained the license permit. Regulations governing the matters pertaining to the documents and the requirements for qualification to file the application and the production and sale of such alcohol products shall be prescribed by the central competent authority.

Article 12

Under any of the following circumstances, the application for an establishment permit presented by a tobacco or alcohol producer shall be rejected by the central competent authority:

1. The applicant or the responsible person is a minor, a person who is adjudicated a ward or under assistance, or a bankrupt.
2. The applicant or the responsible person is found to have violated the provisions of Article 45, Paragraphs 1 or 2; Article 46; Article 47, Paragraphs 2, 3, or 4; Article 48, Paragraph 1, where the disqualified alcohol is the disqualified alcohol of Article 7, Paragraph 2; or Article 48, Paragraph 2, prior to the disposition or judgment having become final and unappealable.
3. The applicant or the responsible person has violated Article 45, Paragraphs 1 or 2; Article 46; Article 47, Paragraphs 2, 3, or 4; Article 48, Paragraph 1, where the disqualified alcohol is the disqualified alcohol of Article 7, Paragraph 2; or Article 48, Paragraph 2, for which they have received an administrative fine, and less than two years have elapsed since the full payment of the fine; or, the applicant or responsible person has violated any of the above provisions or the Tax Collection Act, for which they have received a final and unappealable judgment of guilty, and the execution of the sentence has not been completed, or less than two years has elapsed since the completion of the execution of the sentence or the probationary period or pardon.
4. Less than three years have elapsed since the establishment permit for the tobacco or alcohol producer was voided or revoked by the central competent authority. This provision does not apply when the establishment permit was revoked pursuant to Article 15.

5. The applicant or the responsible person previously acted as the responsible person of a tobacco or alcohol producer, and less than three years has elapsed since the establishment permit of the given business was voided or revoked by the central competent authority. This provision does not apply when the establishment permit was revoked pursuant to Article 15.

When the applicant or responsible person of an business that has already received an establishment permit or license permit as a tobacco or alcohol producer has been adjudicated a ward, placed under assistance, or is bankrupt, as set out in Subparagraph 1 of the preceding paragraph, then that business, within 30 days after the occurrence of the fact, shall apply to the central competent authority to change its responsible person. If the business fails to apply within that period, the central competent authority will revoke its establishment permit.

When any of the following circumstances applies to a business that has already obtained an establishment permit or license permit as a tobacco or alcohol producer, or applies to its responsible person, its establishment permit will be revoked by the central competent authority:

1. Violation of Article 45, Paragraphs 1 or 2; Article 46; Article 47, Paragraphs 2, 3, or 4; Article 48, Paragraph 1, where the disqualified alcohol is the disqualified alcohol of Article 7 paragraph 2; or Article 48, Paragraph 2, when the disposition or judgment has become final and unappealable.
2. Violation of the Tax Collection Act, when a guilty judgment has become final and unappealable.
3. When the responsible person is concurrently the responsible person of another tobacco or alcohol producer, and the establishment permit for that business has been voided or revoked by the central competent authority. This provision does not apply when the establishment permit was revoked pursuant to Article 15.

Article 13

The following matters shall be specified on a license permit for a tobacco or alcohol producer:

1. The name of the producer.
2. The types of products produced.
3. The authorized capital of the business.
4. The location of the head office.
5. The name and location of the factory.
6. The name of the responsible person.
7. Any other matters required by the central competent authority.

Article 14

When a tobacco or alcohol producer intends to make a change in the type of product, location of the factory, or its responsible person, it shall apply to the central competent authority for an approval, and within 30 days from the date of the change, shall apply to the central competent authority for reissuance of its license permit.

When a tobacco or alcohol producer has changed the name of its business, the total amount of its authorized capital, the location of its head office, the name of its factory,

or any matter which the central competent authority requires to be specified pursuant to Subparagraph 7 of the preceding article; then, it shall apply to the central competent authority for reissuance of its license permit within 30 days from the date of the change.

Regulations governing the application procedure for a tobacco or alcohol producer that, in accordance with the preceding two paragraphs, changes any item in its license permit, and the documents to be submitted, the reissuance of license permit, and other related matters, will be prescribed by the central competent authority.

Prior to the approval and issuance or the reissuance of a license permit for a tobacco or alcohol producer, the central competent authority may, as necessary, request that the competent authority of the special municipality or the county (or county-level city) where the head office or the factory of the applicant is located assign personnel to conduct an examination of whether there are any unlawful circumstances in its tobacco or alcohol production, and further, whether its equipment and facilities match those listed in its production and operations plan declared by the producer.

Article 15

When any of the following circumstances applies to a tobacco or alcohol producer, it shall surrender its license permit to the central competent authority within 30 days from the date of occurrence of the fact. For a tobacco or alcohol producer that fails to surrender its license permit upon expiry of the foregoing time limit, the central competent authority shall cancel the license permit and revoke its establishment permit:

1. It terminates its tobacco or alcohol business.
2. Its factory registration is voided or revoked, or it has been found by an audit carried out by the competent authority that tobacco or alcohol is in fact no longer being produced.

Article 16

A tobacco or alcohol importer may only be organized as a company. However, this provision does not apply when a partnership or a sole proprietorship obtains an establishment permit or a license permit as a tobacco or alcohol importer prior to the enforcement of the amendment of 30 May 2014 of this Article, and the responsible person of the business remained unchanged subsequent to the amendment and enforcement of this article.

A party applying to establish a tobacco or alcohol importer shall fill out an application and submit it to the central competent authority to apply for an establishment permit, and within two years after obtaining an establishment permit, shall attach the documents verifying its registration as a company and apply to the central competent authority for issuance of a license permit. Operation of the business may begin only after the license permit is obtained.

Regulations governing the application procedures for an establishment permit and a license permit for a tobacco or alcohol importer, the documents to be submitted, the causes for the revocation of the establishment permit, the issuance or reissuance of a

license permit, and other matters of compliance, will be prescribed by the central competent authority.

For applicants that obtain an establishment permit as a tobacco or alcohol importer prior to enforcement of the amendment of 30 May 2014 of this Article, the two-year period referred to in Paragraph 2 begins from the date of enforcement.

When an applicant fails to apply for the issuance of a license permit prior to the deadline of Paragraph 2 or the preceding paragraph, the establishment permit originally obtained will cease to be effective. With legitimate reason, however, the applicant may apply to the central competent authority for an extension prior to the deadline. No extension may exceed one year in length, and only two such extensions may be granted.

Article 17

Under any of the following circumstances, an application for an establishment permit for a tobacco or alcohol importer shall be rejected by the central competent authority:

1. The applicant or the responsible person is a minor, a person who is adjudicated a ward or under assistance, or is bankrupt.
2. The applicant or the responsible person is found to have violated the provisions of Article 45, Paragraphs 1 or 2; Article 46; Article 47, Paragraphs 2, 3, or 4; Article 48, Paragraph 1, where the disqualified alcohol is the disqualified alcohol of Article 7, Paragraph 2; or Article 48, Paragraph 2, prior to the disposition or judgment having become final and unappealable.
3. The applicant or the responsible person has violated Article 45, Paragraphs 1 or 2; Article 46; Article 47, Paragraphs 2, 3, or 4; Article 48, Paragraph 1, where the disqualified alcohol is the disqualified alcohol of Article 7 Paragraph 2; or of Article 48, Paragraph 2, for which they have received an administrative fine, and less than two years has elapsed since the full payment of the fine; or, the applicant or responsible person has violated any of the above provisions or the Tax Collection Act, for which they have received a final and unappealable judgment of guilty, and the execution of the sentence has not been completed, or less than two years has elapsed since completion of the execution of the sentence or the probationary period or pardon.
4. Less than three years have elapsed since the establishment permit for the tobacco or alcohol importer was voided or revoked by the central competent authority. This provision does not apply when the establishment permit was revoked pursuant to Article 20.
5. The applicant or the responsible person previously acted as the responsible person of a tobacco or alcohol importer, and less than three years has elapsed since the establishment permit of the given business was voided or revoked by the central competent authority. This provision does not apply when the establishment permit was revoked pursuant to Article 20.

When the applicant or responsible person of a business that has already received an establishment permit or license permit as a tobacco or alcohol importer has been adjudicated a ward, placed under assistance, or is bankrupt, as set out in Subparagraph 1 of the preceding paragraph, then that business, within 30 days after the occurrence of the fact, shall apply to the central competent authority to change its responsible

person. In the event of failure to apply within that period, the central competent authority will revoke their establishment permit.

When any of the following circumstances applies to a business that has already obtained an establishment permit or license permit as a tobacco or alcohol importer or to its responsible person, its establishment permit will be revoked by the central competent authority:

1. Violation of Article 45, Paragraphs 1 or 2; Article 46; Article 47, Paragraphs 2, 3, or 4; Article 48, Paragraph 1, where the disqualified alcohol is the disqualified alcohol of Article 7, Paragraph 2; or of Article 48, Paragraph 2, when the disposition or judgment has become final and unappealable.
2. Violation of the Tax Collection Act, when a guilty judgment has become final and unappealable.
3. When the responsible person is concurrently the responsible person of another tobacco or alcohol importer, and the establishment permit for that importer has been voided or revoked by the central competent authority. This provision does not apply when the establishment permit was revoked pursuant to Article 20.

Article 18

The license permit for a tobacco or alcohol importer shall specify the following matters:

1. The name of the importer.
2. The categories of business operated.
3. The location of the head office.
4. The name of the responsible person.
5. Any other matters required by the central competent authority.

Article 19

When a tobacco or alcohol importer intends to make a change in its categories of business or its responsible person, the importer shall apply to the central competent authority for approval, and within 30 days from the date of such change or alteration, apply to the central competent authority for reissuance of its license permit.

When a tobacco or alcohol importer intends to make a change in the name of its business, the location of its head office, or to any of the particulars required by the central competent authority as set forth in Subparagraph 5 of the preceding article, it shall file an application with the central competent authority for reissuance of a license permit within 30 days from the date of such change or alteration.

Regulations governing the application procedure for a tobacco or alcohol importer that, in accordance with the preceding two paragraphs, changes any item in its license permit, and the documents to be submitted, the reissuance of license permit, and other related matters will be prescribed by the central competent authority.

Article 20

When any of the following circumstances applies to a tobacco or alcohol importer, it shall surrender its license permit to the central competent authority within 30 days

from the date of occurrence of the fact. For a tobacco or alcohol importer that fails to surrender its license permit upon the expiry of the foregoing time limit, the central competent authority shall cancel the license permit and revoke its establishment permit:

1. It terminates its tobacco or alcohol business.
2. It has not operated tobacco or alcohol import business for a period of two successive years.

Article 21

Administration of such matters as the establishment, changes in registered information, dissolution, or other matters relating to the handling of approvals for a tobacco or alcohol importer may be entrusted by the central competent authority to the competent authority of the special municipality or the county (or county-level city).

Article 22

When the establishment permit of a tobacco or alcohol producer or importer has been voided or revoked, its license permit will be cancelled by the central competent authority.

Article 23

When the central competent authority accepts applications for permits, and issues, replacement, or re-issues, it shall collect examination fees and licensing fees; it may also collect annual permit fees from tobacco or alcohol producers or importers. The standards for the fees of each type will be set by the central competent authority.

If a tobacco or alcohol producer or importer has not paid the annual permit fee, and is notified by the central competent authority to pay the fee within a specified deadline but fails to do so, then in addition to the handling of the matter in accordance with the Charges and Fees Act, its establishment permit shall also be revoked.

Article 24

The central competent authority, to promote the enhancement of the quality of alcohol products, shall provide a system for the certifications of the quality of domestically-produced alcohol products.

The central competent authority may engage other agencies or institutions to carry out the certifications of the quality of the alcohol products in the preceding paragraph.

CHAPTER III: Administration of Tobacco and Alcohol Products Sanitation

Article 25

The maximum level of nicotine and tar in tobacco shall not exceed the limits set by the Tobacco Hazards Prevention Act.

Article 26

The hygiene of alcohol products shall comply with the hygiene standards prescribed jointly by the central competent authority and the central health authority.

The hygienic condition of alcohol product containers shall conform to the relevant hygiene standards prescribed jointly by the central competent authority and the central competent health authority.

Article 27

The work places, facilities and assurances of quality to be used by any tobacco or alcohol producer for manufacturing, processing, blending, packaging, transport, storage, and additives shall meet the sanitation standards jointly prescribed by the competent central authority and the central health authority.

The buildings and equipment to be used by a tobacco or alcohol production factory shall meet the standards for the establishment of factories jointly prescribed by the central competent authority, the central health authority and the industrial authority.

CHAPTER IV: Production, Importation, and Sale of Tobacco and Alcohol Products

Article 28

No manufacturer may accept a contract to produce tobacco or alcohol for another when that manufacturer was established pursuant to Article 11 or has not obtained a tobacco or alcohol producer license permit.

Article 29

A tobacco or alcohol producer that repackages tobacco or alcohol products for sale shall not change the original brand of the products, and shall obtain documents from the original producer verifying authorization for the repackaging. The verification documents shall indicate the quantities to be repackaged, the proportions and methods of the repackaging, and the authorization for the labeling to be used.

For the tobacco or alcohol products to be imported for repackaging, the certificates of origin issued by the government of the country where such products are produced or by the appropriate chamber of commerce authorized by such foreign government shall be presented along with the products at the time they are imported.

Article 30

The alcohol may not be sold or transferred by a method by which the age of the buyer or transferee cannot be identified, and which methods include, but are not limited to, vending machines, postal sales, or transactions via electronic platforms.

Special zones or special counters may be established for alcohol sales. Regulations governing the scope of such zones or counters, their specific features, methods for establishment, and other compliance matters will be prescribed by the central competent authority.

Tobacco or alcohol products which have exceeded their expiration date or storage life may not be sold.

The sale of tobacco shall comply with the Tobacco Hazards Prevention Act.

CHAPTER V: Administration of Labeling, Advertising, and Promotion of Tobacco and Alcohol Products

Article 31

In the sale of packaged tobacco products, the producer or importer shall indicate the following on the tobacco containers that is in direct contact with the tobacco:

1. The name of the brand.
2. The name and address of the producer: for an imported tobacco product, the name and address of the importer shall be included; for tobacco products produced by a contractor, the name and address of the contracting party shall also be included; for tobacco products repackaged for sale in accordance with the provisions set out in Article 29, Paragraph 1, the name and address of the repackaging producer shall also be included.
3. The weight or quantity.
4. The major raw materials.
5. The nicotine and tar content.
6. A health warning text.
7. The date of expiry or date of production. When the date of production is labeled, the storage life of the products shall also be indicated.
8. Other labeling required by the central competent authority.

The labels on the containers and external packages of tobacco products may not contain false or misleading statements.

The relevant labeling rules and penal provisions of the Tobacco Hazards Prevention Act will govern with regard to the labeling requirements of the preceding two paragraphs.

The labeling requirements of Paragraph 1, Subparagraph 8 of this Article shall come into force 18 months after the date of their public announcement by the central competent authority.

Article 32

In the sale of packaged alcohol products, the producer or importer shall indicate the following on the alcohol containers that is in direct contact with the alcohol:

1. The name of the brand.
2. The type of product.
3. The alcohol content.

4. The country of origin of the imported product's.
5. The name and address of the producer; for an import, the name and address of the importer shall also be indicated; for alcohol products produced by a contractor, the name and address of the contracting party shall also be indicated; the name and address of the repackaging producer as prescribed in Article 29, Paragraph 1 of this Act shall also be indicated.
6. The number of the production batch.
7. The volume.
8. For alcohol products having an alcohol content of 7% or less, or which are packed in plastic or paper containers, the expiration date or bottling date shall be indicated. If the date of bottling is indicated, the date of expiration shall also be indicated.
9. "Excessive drinking endangers health" or other health warnings.
10. Other labeling required by the central competent authority.

Aside from the indications for the labeling given in the preceding paragraph, alcohol may not be labeled with medical or health care terms, or with text or images that explicitly or implicitly indicate similar effects. Imported alcohol may not separately indicate any matter not indicated on the original labeling.

An alcohol producer that uses an alcohol product of another producer as raw material for processing is not permitted to indicate the country of origin or the flavor of the original alcohol product or use any related terms.

If the space on the surface of an alcohol container is too small to accommodate the indications required by Paragraph 1 above, a labeling tag may be used for the purpose of labeling.

No false or misleading statements may be made in the labeling on the container or the external packaging or brochures of alcohol products. No translated text or terms such as "kind," "type," "style," "imitation," or any similar indications or supplemental explanations may be used to indicate production in another place of origin. The same shall be true when the product is already correctly labeled with the actual place of origin.

The regulations governing the method and content of labeling and other compliance matters of alcohol will be prescribed by the central competent authority.

The labeling requirements of Paragraph 1, Subparagraph 10 of this Article shall come into force 18 months after the date of their public announcement by the central competent authority.

Article 33

Matters to be indicated on tobacco or alcohol products pursuant to Article 31, Paragraph 1 and Article 32, Paragraph 1 shall be in Chinese, except under any of the following circumstances:

1. The products are for export.
2. The item indicated is the brand name of an imported tobacco or alcohol product and the name and address of its foreign producer.

3. The item indicated is the name and address of the foreign business contracted for production which is to be indicated pursuant to Article 31, Paragraph 1, Subparagraph 2; or Article 32, Paragraph 1, Subparagraph 5.

Chinese labeling shall be added when tobacco or alcohol products for export are sold domestically or when imported tobacco or alcohol products are sold domestically.

Article 34

No labeling, advertising, or promotion as a tobacco or alcohol product, or which will mislead people to believe a product is a tobacco or alcohol product, may be used when the product is not a tobacco or alcohol product as defined in this Act.

Article 35

An alcohol seller shall conspicuously display the following warning text and images at the entrance and exit of its retail venue or other appropriate locations:

1. "Don't Drink and Drive."
2. "Sale of alcohol to anyone under 18 is prohibited."
3. "This establishment does not sell alcohol to anyone under 18."

Article 36

Restrictions on the advertising and promotion of tobacco shall comply with the Tobacco Hazards Prevention Act.

Article 37

Alcohol advertisements and promotions shall be conspicuously labeled with the warnings "Driving After Drinking is Prohibited," and further with second warning such as "Excessive Drinking Endangers Health," or other warnings, and shall not involve any of the following:

1. Violation of public order and good morals.
2. Encouraging or advocating consumption of alcohol.
3. Targeting of children or youths, or harming the mental and physical wellbeing of children, youths, or pregnant women.
4. Content that is deceptive, exaggerated, fabricated, or easily misinterpreted.
5. Labeling, advertising, or promotions that implicitly or explicitly indicate medical or health effects.
6. Other matters whose prohibition is publicly announced by the central competent authority.

CHAPTER VI: Inspection and Seizure

Article 38

The competent authority shall send officials to conduct random inspections of tobacco and alcohol business in respect of the matters governed by this Act. The inspectors may, as deemed necessary, require the business to provide accounting books and records, evidentiary documents, appraisal documents regarding the authenticity of a

tobacco product or alcohol product or documents verifying its source, and other necessary information. Inspectors may take samples, which the business shall not refuse, evade, or impede. The quantity of samples to be taken, however, shall be limited to what the inspection requires.

When a tobacco or alcohol business, in accordance with the preceding paragraph, provides its accounting books and records, evidentiary documents, appraisal documents regarding the authenticity of a tobacco product or alcohol product or documents verifying its source, and other necessary documents, the competent authority shall issue a receipt to the business, and shall return the above documentation to the provider within seven days from the date the documentation is provided in full, except when the business is suspected of violating the provisions of this Act. Return of the documents may also be subject to an extension of seven days under other extraordinary circumstances.

Article 39

The competent health authority shall conduct random inspections of the operational health and safety and relevant records of any tobacco or alcohol producer, and may take samples and seize relevant records in question when necessary, which actions the producer shall not refuse, evade or impede, provided, however, that the quantity of samples to be taken shall be limited to what the inspection may require.

If necessary, the inspection required by the preceding paragraph may be conducted jointly by the competent health authority and the other competent authorities.

Application for the inspection of imported alcohol products shall be made with the central competent authority. Products which do not comply with hygiene standards may not be imported, with the provision that those not intended for sale, and which do not exceed a given quantity and are for specific uses, are not subject to this restriction.

The inspection set forth in the preceding paragraph may be conducted by means of batch-by-batch inspection, randomly-selected batch inspection, or release after documentary examination. For batches selected for inspection after a batch-by-batch inspection or randomly-selected batch inspection, the central competent authority, based on the need for samples for testing, may approve their initial release for storage at the location of a site appointed by the alcohol producer, and prior to the notification of the conformity of the selected batches of alcohol products to the regulations, the given batch may not be moved to another storage site or transferred to any third party.

With the exception of undenatured ethyl alcohol, inspection of imported alcohol products may be conducted by means of release after documentary examination under the following circumstances:

1. Alcohol products that have previously passed inspection upon importation.
2. Alcohol products for which the country of origin and country of export meet specific conditions and which have been publicly announced by the competent authority.
3. Alcohol products from batches other than those chosen for inspection in randomly-selected batch inspections.

4. Alcohol products with the hygiene verification documents required by the central competent authority.

The central competent authority may engage other agencies or institutions to conduct the inspection of alcohol products under Paragraph 3.

The regulations governing the inspections, exemption from inspection, or authorization of inspections under the preceding four paragraphs shall be prescribed jointly by the central competent authority and the competent health authority.

The competent authority, in response to the needs of exporting business, may approve and issue hygiene or other related verification documents, or may coordinate with other related authorities for their approval and issuance.

Article 40

The competent authority may seal up for storage or seize any suspected illegal tobacco or alcohol or disqualified tobacco or alcohol, order the relevant business to suspend operations, and take samples for testing. If the product is likely to continuously ferment or damage the sanitation of the environment, the competent authority may take necessary measures for handling. If no fact of violation is found in inspection, the original disposition shall be voided.

The examination referred to in the preceding paragraph may be entrusted by the competent authority to the competent health authorities or other appropriate agencies or institutions.

Article 41

If the competent authority or the competent health authority discovers disqualified tobacco or alcohol, the competent authority shall order the producer, importer, or seller to make an immediate public announcement that consumption of the disqualified products must cease, and to recall and destroy the products.

If the disqualified tobacco or alcohol of the preceding paragraph is materially injurious to human health, the competent authority shall make a public announcement that the consumption of such products must cease; publish the name, location of the head office, and responsible person of the producer, importer, or seller, the brand name of the disqualified tobacco or alcohol, and the details of the violation; prohibit the production, importation, and sale of the products; and make any other necessary disposition. The competent authority shall also order the producer or importer of the tobacco or alcohol to recall and destroy the products within a specified period; tobacco and alcohol wholesalers and retailers shall also cooperate with the recall and destruction.

Regulations governing dispositional measures such as the recall or destruction of the disqualified tobacco or alcohol of the preceding two paragraphs will be prescribed by the central competent authority.

Article 42

The competent authority and competent health authority, when conducting investigations or enforcement actions in accordance with this Act, may request that the police or other law enforcement agencies provide personnel for assistance. Investigation or enforcement personnel executing their duties shall show their identification and announce the reasons for their activities.

Article 43

Where an informant reports or assists in uncovering tobacco or alcohol products or tobacco or alcohol business violating this Act, the name of the informant shall be kept strictly confidential and the informant may be rewarded.

Regulations governing the reward referred to in the preceding paragraph shall be prescribed by the central competent authority.

Article 44

Tobacco, alcohol, and the raw materials, semi-finished products, equipment, and alcohol containers for their production which are confiscated or forfeited under this Act or other laws and regulations may be destroyed or may be sold by tender, exported after sale by tender, donated or provided for use in research or experimentation by academic institutions.

CHAPTER VII: Penal Provisions

Article 45

Any person who produces illegal tobacco or alcohol products shall be punished by an administrative fine of not less than NT\$50,000 and not more than NT\$1,000,000. If the present value of the products at the time of discovery exceeds NT\$1,000,000, however, the producer will be punished with an administrative fine of not less than one times and not greater than five times the present value at the time of discovery, up to a maximum of NT\$10,000,000.

Any person who imports illegal tobacco or alcohol products shall be punished by imprisonment for a period of not more than three years, and, in addition thereto, a fine of not less than NT\$200,000 and not more than NT\$10,000,000 may be imposed.

Where the quantity of illegal tobacco or alcohol products produced or imported does not exceed a specific quantity and the products are for personal use, or where such tobacco or alcohol products are carried by inward passengers, the punishments imposed in the preceding two paragraphs of this article shall not apply.

When an inward passenger carries tobacco or alcohol products in excess of duty-free quantities and fails to declare the products to Customs, the excess quantities shall be forfeited to Customs, and Customs shall impose on the passenger a respective administrative fine of not less than NT\$500 and not more than NT\$5,000 for each ream of cigarettes, pound of cut tobacco, twenty-five cigars, or liter of alcohol, and in

such case the penalties imposed under the Customs Anti-Smuggling Act shall not apply.

The specific amount referred to in Paragraph 3 will be announced by the central competent authority.

Article 46

The sale, transport, or transfer, or the display or storage with the intent to sell, transport, or transfer illegal tobacco or alcohol will be punished with an administrative fine of not less than NT\$30,000 and not more than NT\$500,000. If the present value of the products at the time of discovery exceeds NT\$500,000, however, the producer will be punished with an administrative fine of not less than one times and not greater than five times the present value at the time of discovery, up to a maximum of NT\$6,000,000. If the offender cooperates in revealing the source of the illegal tobacco or alcohol, resulting in further discovery of illegal tobacco or alcohol, the administrative fine may be reduced to one-fourth of the original amount.

The provisions of the Customs Anti-Smuggling Act with regard to administrative fines do not apply under the circumstances of the preceding paragraph.

Article 47

The production or importation of disqualified tobacco or the disqualified alcohol described in Article 7, Paragraph 3 will be punished with an administrative fine of not less than NT\$300,000 and not more than NT\$3,000,000. If the present value of the products at the time of discovery exceeds NT\$3,000,000, however, punishment will be an administrative fine of not less than one times and not greater than five times the present value at the time of discovery, up to a maximum of NT\$60,000,000.

If the disqualified tobacco or alcohol of the preceding paragraph contains substances capable of materially injuring human health, punishment will be a term of imprisonment of not more than five years, in addition to which a fine of not less than NT\$300,000 and not more than NT\$60,000,000 may be imposed.

Production of the disqualified alcohol described in Article 7, Paragraph 2 will be punished with a term of imprisonment of not more than five years, in addition to which a fine of not less than NT\$300,000 and not more than NT\$60,000,000 may be imposed.

If the disqualified alcohol of the preceding paragraph contains substances capable of materially injuring human health, punishment will be a term of imprisonment of not more than seven years, in addition to which a fine of not less than NT\$500,000 and not more than NT\$100,000,000 may be imposed.

Article 48

The sale, transport, or transfer, or the display or storage with the intent to sell, transport, or transfer disqualified tobacco or alcohol will be punished with an administrative fine of not less than NT\$200,000 and not more than NT\$2,000,000. If

the present value of the products at the time of discovery exceeds NT\$2,000,000, however, punishment will be an administrative fine of not less than one times and not greater than five times the present value at the time of discovery, up to a maximum of NT\$20,000,000.

If the disqualified tobacco or alcohol of the preceding paragraph involved in the sale, transport, or transfer, or the display or storage with the intent to sell, transport, or transfer contains substances capable of materially injuring human health, punishment will be a term of imprisonment of not more than three years, in addition to which a fine of not less than NT\$200,000 and not more than NT\$20,000,000 may be imposed.

If the person committing the offences involved in the sale, transport, or transfer, or the display or storage with the intent to sell, transport, or transfer described in the preceding two paragraphs cooperates in revealing the source of the disqualified tobacco or alcohol, resulting in further discovery of such disqualified tobacco or alcohol, the sentence of imprisonment may be reduced, or the administrative fine may be reduced to one-fourth of the original amount.

Article 49

Where the representative of a juristic person or the agent, employee or other person in the service of a juristic person or natural person commits any crime set forth in Article 45, Paragraph 2; Article 47, Paragraphs 2 to 4; or Article 48, Paragraph 2 during the discharge of their responsibility; then, in addition to punishment of the person committing this Act in accordance with each of the respective provisions, the fines for each respective provision shall be imposed on the given juristic person or natural person.

Article 50

A tobacco or alcohol producer or importer that violates the labeling regulations of Article 31, Paragraph 1 or 2; Article 32, Paragraphs 1 to 3 or Paragraph 5; or Article 33, except in the case of a first-time violation that does not involve false labeling or misleading statements, in which case correction may be made within a specified period of time, will be punished with an administrative fine of not less than NT\$30,000 and not more than NT\$500,000. The business will also be notified to make correction within a specified period of time, and prior to making the correction, may not continue sales of the offending item. If correction has not been made by the deadline, further punishments will be imposed for each violation, and the offending tobacco or alcohol products will be forfeited.

A tobacco or alcohol producer that without authorization or consent, labels the tobacco or alcohol it produces as the tobacco or alcohol of another party will be punished with an administrative fine of not less than NT\$60,000 and not more than NT\$1,000,000, and the offending products will be forfeited.

The sale or transfer, or the display or storage with intent to sell or transfer, of tobacco or alcohol products not in compliance with the labeling regulations of this Act will result in forfeiture of the offending products.

Article 51

A violation of Article 37 in the advertising or promotion of alcohol products will be punished by an administrative fine of not less than NT\$30,000 and not more than NT\$500,000, and the offender will be notified to make correction within a specified period of time. Failure to make correction by the deadline will result in further punishment for each violation.

If a broadcasting media enterprise including transmission such as television, radio, or the Internet, or a publishing enterprise violates Article 37 in the broadcast or publishing of an alcohol product advertisement, and if, following notification from the competent authority to cease, the enterprise continues to broadcast or publish the advertisement, punishment will be an administrative fine of not less than NT\$30,000 and not more than NT\$500,000, with further punishment for each violation.

If the violation of Paragraph 1 is for inconspicuous labeling of the required warning and is a first-time violation, the offender will be notified to make correction within a prescribed period of time.

Article 52

Under any of the following circumstances, an administrative fine of not less than NT\$50,000 and not more than NT\$250,000 will be imposed:

1. Violation of the sanitation standards for alcohol product containers under Article 26, Paragraph 2.
2. Labeling, advertising, or promotion in violation of Article 34.
3. Refusing, evading, or impeding the execution of matters provided under Article 38, Paragraph 1 by the competent authority or of matters provided under Article 39, Paragraph 1 by the competent health authority.
4. Failure to comply with an order to suspend operations issued by the competent authority under Article 40, Paragraph 1.

Article 53

Under any of the following circumstances, an administrative fine of not less than NT\$50,000 and not more than NT\$250,000 may be imposed; and, in the case that the violation is of a material nature and the offender fails to improve within a specified period of time following notification to do so, the establishment permit of the offender will be revoked:

1. Violation of Article 4, Paragraph 4 or of the regulations adopted pursuant to Article 4, Paragraph 6 regarding registration for sale, documents evidencing the purpose of purchase, denaturing, denaturing additives, reporting of inventory volumes of alcohol imported for sale, and storage site locations.
2. Violation of Article 11, Paragraph 1 regarding annual output in excess of a specified amount, production on behalf of others, or repackaging for the sale of alcohol products.
3. Violation of the sanitation standards of Article 27, Paragraph 1.

Article 54

Under any of the following circumstances, an administrative fine of not less than NT\$50,000 and not more than NT\$250,000 will be imposed, and notification to recall and destroy the products within a specified period of time will be issued by the competent authority. Failure to comply by the deadline will result in further punishment for each violation:

1. Violation by a tobacco or alcohol producer or importer of Article 30, Paragraph 3 by the sale of tobacco or alcohol exceeding its expiration date or storage life.
2. Violation of Article 39, Paragraph 4 by an unauthorized change in the storage site of alcohol batches which have been released, or transferring them to a third party, prior to having met inspection regulations.
3. Failure to comply with an order of the competent authority under Article 41, Paragraph 1 to make a public announcement and to recall and destroy offending products, or violation of Article 41, Paragraph 2 by failing to recall and destroy tobacco or alcohol products that are seriously injurious to human health within the deadline set by the competent authority.

Article 55

Under any of the following circumstances, an administrative fine of not less than NT\$10,000 and not more than NT\$50,000 will be imposed:

1. Violation by a tobacco or alcohol producer of Article 14, Paragraph 1.
2. Violation by a tobacco or alcohol importer of Article 19, Paragraph 1.
3. Sale or transfer of alcohol products in violation of Article 30, Paragraph 1.
4. Violation by a tobacco or alcohol seller of Article 30, Paragraph 3.
5. Violation by an alcohol seller of Article 35.

In the event of the violation of Subparagraphs 1 or 2 of the preceding paragraph, in addition to the imposition of an administrative fine, the business will be notified to make correction within a specified period of time, and if it fails to comply by the deadline, its establishment permit will be revoked.

Further punishment will be imposed for each violation of Subparagraphs 3 or 5 of Paragraph 1.

Violation of Subparagraph 4 of Paragraph 1 will result in notification by the competent authority to recall or destroy the offending products within a specified period of time; failure to comply by the deadline will result in further punishment for each violation.

Article 56

Violation by a tobacco or alcohol producer or importer of Article 14, Paragraph 2 or Article 19, Paragraph 2 will be punished by the imposition of an administrative fine of not less than NT\$5,000 and not more than NT\$25,000.

Article 57

Illegal tobacco or alcohol discovered pursuant to this Act, and the raw materials, semi-finished products, equipment, and alcohol containers for their production, will be confiscated or forfeited.

Disqualified tobacco or alcohol discovered pursuant to this Act will be confiscated or forfeited.

When alcohol is produced with a type of alcohol product as raw material other than alcohol that complies with the national standards for edible ethyl alcohol, or when the raw materials that are used for tobacco or alcohol production contain substances that are materially injurious to human health, the aforesaid raw materials or semi-finished products will be confiscated or forfeited.

Confiscation or forfeiture of the tobacco or alcohol and related raw materials, semi-finished products, and equipment or containers pursuant to the preceding three paragraphs will be carried out **whether it belongs to the offender or not.**

Tobacco or alcohol that is sold when its expiration date or storage life has expired will be subject to forfeiture without regard to ownership.

CHAPTER VIII: Supplementary Provisions

Article 58

The enforcement rules of this Act shall be prescribed by the central competent authority.

Article 59

The date of the enforcement of this Act will be set by the Executive Yuan, with the provision that the Executive Yuan, as circumstances require, may set separate dates for the enforcement for any part of the Act or for the Act in its entirety.

Article 59

The date of the enforcement of this Act will be set by the Executive Yuan, with the provision that the Executive Yuan, as circumstances require, may set separate dates for the enforcement for any part of the Act or for the Act in its entirety.

Article 57 amended on December 8, 2017 shall come into force from the date of promulgation.

Note

In case of any discrepancy between the English version and the Chinese text of this statute, the Chinese text shall govern.